

**Introduced by Senator Chesbro**February 20, 2004

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An act to amend Sections 11750, 11751.4, 11754, 11755, 11755.2, 11756, 11757.51, 11757.57, 11757.59, 11757.61, 11758.12, 11758.13, 11758.20, 11758.23, 11758.25, 11758.29, 11758.40, 11758.43, 11758.46, 11759.1, 11759.2, 11759.4, 11760, 11760.1, 11760.2, 11760.3, 11760.4, 11772, 11775, 11776, 11778.9, 11781, 11781.5, 11785, 11786, 11795, 11796, 11796.1, 11797, 11798, 11798.1, 11800, 11801, 11802, 11805, 11810, 11811, 11811.1, 11811.3, 11811.5, 11811.6, 11811.7, 11812, 11812.6, 11813, 11814, 11817.1, 11817.3, 11817.4, 11818, 11818.5, 11820, 11820.1, 11825, 11826, 11827, 11828, 11830.5, 11831.5, 11835, 11836, 11837.2, 11837.3, 11837.4, 11837.6, 11837.7, 11837.8, 11837.9, 11838.1, 11840, 11840.1, 11841, and 11860 of, to amend the heading of Article 1 (commencing with Section 11760) of Chapter 1 of Part 2 of Division 10.5 of, to amend the heading of Article 4 (commencing with Section 11810) of Chapter 4 of Part 2 of Division 10.5 of, to amend the heading of Chapter 3 (commencing with Section 11758.10) of Part 1 of Division 10.5 of to amend the heading of Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of, to amend the heading of Chapter 2 (commencing with Section 11960) of Part 3 of 10.5 of, to amend the headings of Part 2 (commencing with Section 11760) and Part 3 (commencing with Section 11860) of Division 10.5 of, to amend and renumber Sections 11830 and 11831 of, to amend and renumber the headings of Article 3 (commencing with Section 11970), Article 4 (commencing with Section 11970.1), and Article 5 (commencing with Section 11970.45) of Chapter 2 of Part 3 of Division 10.5 of, to amend and renumber the heading of Chapter 10 (commencing with Section 11840) of Part 2 of Division 10.5 of, to add Section 11752.1 to, to add



Article 2 (commencing with Section 11760.5) to Chapter 1 of Part 2 of Division 10.5 of, to add Chapter 3.5 (commencing with Section 11788), Chapter 10 (commencing with Section 11839), Chapter 12 (commencing with Section 11842), and Chapter 13 (commencing with Section 11847) to Part 2 of Division 10.5 of, to repeal Sections 11755.4, 11755.5, 11757, 11757.55, 11757.62, 11757.63, 11757.65, 11757.66, 11758.27, 11758.33, 11758.41, 11759.5, 11765, 11782, 11814.5, and 11864 of, to repeal Article 2 (commencing with Section 11865), Article 3 (commencing with Section 11875), and Article 4 (commencing with Section 11885) of Chapter 1 of Part 3 of Division 10.5 of, to repeal Article 1 (commencing with Section 11960) and Article 2 (commencing with Section 11965) of Chapter 2 of Part 3 of Division 10.5, to repeal the heading of Chapter 3.3 (commencing with Section 11758.20) of Part 1 of Division 10.5 of, to repeal Chapter 3.5 (commencing with Section 11758.50) of Part 1 of Division 10.5 of, to repeal Chapter 5 (commencing with Section 11759.10) of Part 1 of Division 10.5 of, to repeal Chapter 3 (commencing with Section 11970.5) and Chapter 4 (commencing with Section 11980) of Part 3 of Division 10.5 of, and to repeal and add Sections 11758.10 and 11817.8 of, the Health and Safety Code, relating to alcohol and other drug programs.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1838, as introduced, Chesbro. Alcohol and drug prevention and treatment programs.

(1) Existing law provides for drug and alcohol prevention and treatment programs, administered by the State Department of Alcohol and Drug Programs. These provisions are organized into separate categories for programs related to the inappropriate use of alcoholic beverages and those related to the use and abuse of drugs. These provisions authorize the department to provide funds, to counties that elect to participate, for the planning and implementation of local programs to alleviate problems related to inappropriate alcohol and drug use, and require the department to review and approve or disapprove county alcohol program plans and county drug program plans submitted for state and federal funds allocated by the department.

This bill would reorganize and recast these provisions to combine the 2 program categories related to alcoholic beverages and drugs. The bill would revise definitions and terminology applicable to these provisions



to reflect this change. The bill would make conforming changes to resolve conflicting provisions among the program categories combined under the bill related to, among things, departmental audits of expenditures of funds allocated to counties.

(2) Existing law requires the department to develop and administer waiver application criteria for capital construction of alcohol recovery facilities and drug treatment facilities.

This bill would eliminate this requirement.

(3) Existing law requires the California Health and Human Services Agency to create an interagency task force to develop a coordinated state strategy for addressing the treatment needs of pregnant women, postpartum women, and their children for alcohol or drug abuse.

This bill would repeal this provision.

(4) Under existing law, any board of supervisors that elects to apply for funding under these provisions is required to submit to the department an annual county alcohol program plan, county drug program plan, or both, for the current state fiscal year, within 90 days after notification of the final allocation of each year.

This bill would require a county that elects to participate to submit the plans within 60 days after the notification.

(5) Existing law requires the department to negotiate net amount contracts with each county that requests to participate, in lieu of county plans, budgets, and reports, required for funding under these provisions.

This bill would revise the procedures applicable to a negotiated net amount contract.

(6) Existing law requires the department to implement a program certification procedure for direct services funded under these provisions as they relate to alcohol use.

This bill would, instead, require the department to implement a program certification procedure for alcohol and other drug treatment and recovery services funded under these provisions.

(7) Existing law requires all drug abuse programs, including narcotic treatment programs, within a county to register with the county.

This bill would require all narcotic and drug abuse programs and alcohol and other drug abuse programs within a county to register with the county.

(8) The bill would repeal various obsolete provisions and make conforming changes. The bill would make numerous technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11750 of the Health and Safety Code is  
2 amended to read:

3 11750. There is in state government in the *California* Health  
4 and ~~Welfare~~ *Human Services* Agency a State Department of  
5 Alcohol and Drug Programs.

6 SEC. 2. Section 11751.4 of the Health and Safety Code is  
7 amended to read:

8 11751.4. ~~(a)~~ It is the intent of the Legislature to ~~assure~~ *ensure*  
9 the integrity and ~~separate identity~~ of state alcohol and drug  
10 programs.

11 ~~(b) The Legislature recognizes, however, that state alcohol and~~  
12 ~~drug programs have many areas of common concern. Therefore,~~  
13 ~~the State Advisory Board on Alcohol-Related Problems, as created~~  
14 ~~pursuant to Section 11780, and the State Advisory Board on Drug~~  
15 ~~Programs, as created pursuant to Section 11862, shall meet jointly~~  
16 ~~at least twice each calendar year. Furthermore, if a county has~~  
17 ~~established separate advisory bodies for alcohol and drug issues,~~  
18 ~~these local advisory bodies also shall meet jointly on a regular~~  
19 ~~basis and at least two times per year.~~

20 SEC. 3. Section 11752.1 is added to the Health and Safety  
21 Code, to read:

22 11752.1. (a) “County board of supervisors” includes county  
23 boards of supervisors in the case of counties acting jointly.

24 (b) “Agency” means the California Health and Human  
25 Services Agency.

26 (c) “Secretary” means the Secretary of the California Health  
27 and Human Services Agency.

28 (d) “County plan for alcohol and other drug services” or  
29 “county plan” means the county plan, including a budget, adopted  
30 by the board of supervisors pursuant to Chapter 4 (commencing  
31 with Section 11795).



1 (e) “Advisory board” means the county advisory board on  
2 alcohol and other drug problems established at the sole discretion  
3 of the county board of supervisors pursuant to Section 11805. If  
4 a county does not establish an advisory board, then any provision  
5 of this chapter relative to the activities, duties, and functions of the  
6 advisory board shall be inapplicable to that county.

7 (f) “Alcohol and drug program administrator” means the  
8 county program administrator designated pursuant to Section  
9 11800.

10 (g) “State alcohol and other drug program” includes all state  
11 alcohol and other drug projects administered by the department  
12 and all county alcohol and other drug programs funded under this  
13 division.

14 (h) “Health systems agency” means the health planning  
15 agency established pursuant to federal legislation cited as Public  
16 Law 93-641.

17 (i) “Alcohol and other drug problems” means problems of  
18 individuals, families, and the community, that are related to the  
19 abuse of alcohol and other drugs.

20 (j) “Alcohol abuser” means anyone who has a problem related  
21 to the consumption of alcoholic beverages whether or not it is of  
22 a periodic or continuing nature. This definition includes, but is not  
23 limited to, persons referred to as “alcoholics” and “drinking  
24 drivers.” These problems may be evidenced by substantial  
25 impairment to the person’s physical, mental, or social well-being,  
26 which impairment adversely affects his or her abilities to function  
27 in the community.

28 (k) “Drug abuser” means anyone who has a problem related to  
29 the consumption of illicit, illegal, legal, or prescription drugs or  
30 over-the-counter medications in a manner other than prescribed,  
31 whether or not it is of a periodic or continuing nature. This  
32 definition includes, but is not limited to, persons referred to as  
33 “drug addicts.” The drug-consumption related problems of these  
34 persons may be evidenced by substantial impairment to the  
35 person’s physical, mental, or social well-being, which impairment  
36 adversely affects his or her abilities to function in the community.

37 (l) “Alcohol and other drug service” means any service that is  
38 designed to encourage recovery from the abuse of alcohol and  
39 other drugs and to alleviate or preclude problems in the individual,  
40 his or her family, and the community.

(m) “Alcohol and other drug abuse program” means a collection of alcohol and other drug services that are coordinated to achieve the specified objectives of this part.

(n) “Driving-under-the-influence program,” “DUI Program,” or “Licensed Program” means an alcohol and other drug service that has been issued a valid license by the department to provide services pursuant to Chapter 9 (commencing with Section 11836) of Part 2.

(o) “Clients-participants” means recipients of alcohol and other drug prevention, treatment, and recovery program services.

(p) “Substance Abuse and Mental Health Services Administration” means that agency of the United States Department of Health and Human Services.

SEC. 4. Section 11754 of the Health and Safety Code is amended to read:

11754. (a) The department shall be the single state agency authorized to receive any federal funds payable directly to the state by the Substance Abuse and Mental Health Services Administration to implement programs that provide services to alleviate the problems related to ~~the inappropriate use of alcoholic beverages~~ *alcohol and other drug use*.

~~(b) The department shall be the single state agency authorized to receive any federal funds payable directly to the state by the Substance Abuse and Mental Health Services Administration to implement programs that provide services to alleviate the problems related to the use of other drugs.~~

~~(c) The department may receive other federal funds and expend them pursuant to this division, the Budget Act, or other statutes.~~

SEC. 5. Section 11755 of the Health and Safety Code is amended to read:

11755. The department shall do all of the following:

(a) Adopt regulations pursuant to Section 11152 of the Government Code.

(b) Employ administrative, technical, and other personnel as may be necessary for the performance of its powers and duties.

(c) Do or perform any of the acts that may be necessary, desirable, or proper to carry out the purpose of this ~~part~~ *division*.

(d) Provide funds to counties for the planning and implementation of local programs to alleviate problems related to ~~inappropriate~~ *alcohol and other drug use*.

1 (e) Review and *execute negotiated net amount contracts and*  
2 *Drug Medi-Cal contracts*, and approve or disapprove county  
3 ~~alcohol program plans and county drug program plans~~ submitted  
4 for state and federal funds allocated by the department.

5 (f) Provide for technical assistance and training to local alcohol  
6 and *other* drug programs to assist in the planning and  
7 implementation of quality services. The department may charge a  
8 fee to cover the cost of providing technical assistance to *these*  
9 alcohol and *other* drug programs.

10 (g) Review research in, and serve as a resource to provide  
11 information relating to, alcohol and *other* drug programs.

12 (h) In cooperation with the Department of Personnel  
13 Administration, encourage training in other state agencies to assist  
14 the agencies to recognize employee problems relating to  
15 ~~inappropriate alcohol use or~~ and *other* drug use that ~~affect~~ *affects*  
16 job performance and encourage the employees to seek appropriate  
17 services.

18 (i) Assist and cooperate with the Office of Statewide Health  
19 Planning and Development and the California Health Policy and  
20 Data Advisory Commission in the drafting and adoption of the  
21 state health plan to assure inclusion of appropriate provisions  
22 relating to alcohol ~~problems~~ and *other* drug problems.

23 (j) In the same manner and subject to the same conditions as  
24 other state agencies, develop and submit annually to the  
25 Department of Finance a program budget for the state-funded  
26 ~~alcohol program and the state-funded~~ and *other* drug program,  
27 which *budget* shall include expenditures proposed to be made  
28 under this division, and may include expenditures proposed to be  
29 made by any other state agency relating to alcohol ~~or~~ and *other*  
30 drug problems, pursuant to an interagency agreement with the  
31 department.

32 (k) Review and certify alcohol and *other* drug programs  
33 meeting state standards pursuant to Chapter 7 (commencing with  
34 Section 11830); and ~~review and certify drug abuse treatment~~  
35 ~~programs pursuant to Section 11994 Chapter 13 (commencing~~  
36 ~~with Section 11847) of Part 2.~~

37 (l) Develop standards for assuring minimal statewide levels of  
38 service quality provided by alcohol and *other* drug ~~service~~  
39 programs.

40 (m) Review and license narcotic treatment programs.



(n) Develop and implement, in partnership with the counties, alcohol and *other* drug prevention strategies especially designed for youth.

(o) Develop and maintain a centralized alcohol and drug abuse indicator data collection system ~~which~~ *that* shall gather and obtain information on the status of the alcohol and *other* drug abuse problem in the State of California. This information shall include, but not be limited to, all of the following:

(1) The number and characteristics of persons receiving recovery or treatment services from alcohol and *other* drug programs providing publicly funded services or services licensed by the department.

(2) The location and types of services offered by these programs.

(3) The number of admissions to hospitals on both an emergency room and inpatient basis for ~~alcohol and drug-related~~ treatment *related to alcohol and other drugs*.

(4) The number of arrests for alcohol and *other* drug violations.

(5) The number of Department of the Youth Authority commitments for drug violations.

(6) The number of Department of Corrections commitments for drug violations.

(7) The number or percentage of persons having alcohol or *other* drug problems as determined by survey information.

(8) The amounts of illicit drugs confiscated by law enforcement in the state.

(9) The statewide alcohol and *other* drug ~~treatment~~ program distribution and the fiscal impact of alcohol and *other* drug problems upon the state.

Providers of publicly funded services or services licensed by the department to clients-participants shall report data in a manner, *in a* format, and under a schedule prescribed by the department.

(p) Issue ~~a~~ *an annual* report ~~annually, which~~ *that* portrays the drugs abused, populations affected, user characteristics, crime-related costs, socioeconomic costs, and other related information deemed necessary in providing a problem profile of alcohol and *other* drug abuse in the state.

(q) (1) Require any individual, public or private organization, or government agency, receiving federal grant funds, to comply with all federal statutes, regulations, guidelines, and terms and



conditions of the grants. The failure of the individual, public or private organization, or government agency, to comply with the statutes, regulations, guidelines, and terms and conditions of the grants *received* may result in the department's disallowing noncompliant costs, or the suspension or termination of the contract or grant award allocating the grant funds.

(2) Adopt regulations implementing this subdivision as ~~emergency regulations~~ in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed ~~an emergency~~ and necessary for the ~~immediate~~ preservation of the public peace, health and safety, or general welfare. Subsequent amendments to the ~~initial~~ adoption of emergency regulations shall be deemed an emergency ~~as described in this paragraph~~ only if those amendments are adopted in direct response to a change in federal statutes, regulations, guidelines, or the terms and conditions of federal grants. Nothing in this paragraph shall be interpreted as prohibiting the department from adopting subsequent amendments on a nonemergency basis or as emergency regulations in accordance with the standards set forth in Section 11346.1 of the Government Code.

SEC. 6. Section 11755.2 of the Health and Safety Code is amended to read:

11755.2. (a) The department may implement a program for the establishment of group homes for alcohol and *other* drug abusers as provided for in Section 300x-4a of Title 42 of the United States Code.

(b) The department may establish the Resident-Run Housing Revolving Fund for the purpose of making loans to group resident-run homes in conformance with federal statutes and regulations. Any program for the purpose of making loans to group resident-run homes shall be a part of the Resident-Run Housing Revolving Fund. Any unexpended balances in a current program shall be transferred to the Resident-Run Housing Revolving Fund and ~~are hereby appropriated~~ *be available* for expenditure during the ~~1990-91~~ *following* fiscal year. Appropriations for subsequent fiscal years shall be provided in the annual Budget Act. All loan payments received from previous loans shall be deposited in the Resident-Run Housing Revolving Fund, as well as all future

1 collections. The Resident-Run Housing Revolving Fund shall be  
2 invested in the Pooled Money Investment Fund. Interest earned  
3 shall accrue to the Resident-Run Housing Revolving Fund and  
4 may be made available for future group resident-run home loans.

5 (c) The department may adopt regulations as are necessary to  
6 implement this section.

7 SEC. 7. Section 11755.4 of the Health and Safety Code is  
8 repealed.

9 ~~11755.4. (a) To the extent funding is provided pursuant to~~  
10 ~~subdivision (c), a two and one-half year program shall be~~  
11 ~~established by the homeless youth projects operated in the County~~  
12 ~~of Los Angeles and the City and County of San Francisco pursuant~~  
13 ~~to Chapter 6 (commencing with Section 13700) of Part 3 of~~  
14 ~~Division 9 of the Welfare and Institutions Code to operate an~~  
15 ~~outreach program targeted at treating substance abuse problems of~~  
16 ~~substance-dependent homeless youth, including juvenile~~  
17 ~~prostitutes. The department shall, in consultation with the Office~~  
18 ~~of Criminal Justice Planning, develop guidelines for the scope of~~  
19 ~~the program established pursuant to this section, including, but not~~  
20 ~~limited to, requiring outreach to all shelters and drop-in facilities~~  
21 ~~operated by the homeless youth project established in the County~~  
22 ~~of Los Angeles and the City and County of San Francisco. The~~  
23 ~~department also shall, in consultation with the Office of Criminal~~  
24 ~~Justice Planning, oversee the management of the program~~  
25 ~~established pursuant to this section.~~

26 ~~(b) To the extent permitted by federal law, commencing~~  
27 ~~January 1, 1995, the department shall enter into separate contracts~~  
28 ~~in the amount of one hundred twenty five thousand dollars~~  
29 ~~(\$125,000) for the remainder of the 1994-95 fiscal year, and two~~  
30 ~~hundred fifty thousand dollars (\$250,000) for each of the~~  
31 ~~following two fiscal years, for each contract with the homeless~~  
32 ~~youth project established in the County of Los Angeles and with~~  
33 ~~the project established in the City and County of San Francisco for~~  
34 ~~the operation of the program pursuant to this section. Contract~~  
35 ~~terms shall be in accord with the terms and conditions of the~~  
36 ~~funding.~~

37 ~~(c) The program established pursuant to this section shall cease~~  
38 ~~to operate on June 30, 1997.~~

39 SEC. 8. Section 11755.5 of the Health and Safety Code is  
40 repealed.

~~11755.5. (a) The Legislature finds and declares that the federal government has established criteria for granting waivers to states to use funds available for substance abuse for the construction of new facilities or the rehabilitation of existing facilities, but not for land acquisition.~~

~~It is the intent of the Legislature that the department develop and administer waiver application criteria for capital construction and rehabilitation of alcohol recovery facilities and drug treatment facilities consistent with federal law.~~

~~It is the intent of the Legislature that the department have the flexibility to modify waiver application criteria to meet changing federal requirements.~~

~~(b) The department shall coordinate and administer waiver applications for capital construction and rehabilitation of alcohol recovery facilities and drug treatment facilities under Section 1915(b) of the Public Health Services Act (42 U. S.C. Sec. 300x-3(b)). The department shall give priority to programs which use these federal funds to make the facilities accessible to persons with disabilities or to modify or improve facilities that are already accessible. The department shall require the county to match one dollar (\$1) cash for one dollar (\$1) cash of those federal funds. The matching funds may come from county general or private nonprofit organization funds.~~

~~(c) The department shall adopt emergency regulations implementing this section. The Legislature declares that the adoption of these regulations, and any amendments thereto, shall be deemed an emergency necessary for the immediate preservation of the public peace, health and safety, or general welfare.~~

SEC. 9. Section 11756 of the Health and Safety Code is amended to read:

11756. The department relative to the statewide alcohol *and other drug* program, in addition to the duties provided for in Section 11755, shall do all of the following:

(a) Cooperate with other governmental agencies and the private sector in establishing, conducting, and coordinating alcohol *and other drug* programs and projects pursuant to Chapter 2 (commencing with Section 11775) of *Part 2*.

(b) Cooperate with other state agencies to encourage appropriate health facilities to recognize, without discrimination,

1 persons with alcohol *and other drug* problems who also require  
2 medical care and to provide them with adequate and appropriate  
3 services.

4 (c) Encourage counties to coordinate alcohol *and other drug*  
5 services, where appropriate, with county health and social service  
6 programs, or with regional health programs pursuant to Article 2  
7 1 (commencing with Section ~~11821~~ 11820) of Chapter 5 of Part  
8 2.

9 (d) Encourage the utilization, support, assistance, and  
10 dedication of interested persons in the community in order to  
11 increase the number of persons with alcohol *and other drug*  
12 problems who voluntarily seek appropriate services to alleviate  
13 those problems.

14 (e) Evaluate or require the evaluation, including the collection  
15 of appropriate and necessary information, of alcohol *and other*  
16 *drug* programs pursuant to Chapter 6 (commencing with Section  
17 11825) of Part 2.

18 (f) Review and license driving-under-the-influence programs.

19 (g) Perform all other duties specifically required pursuant to  
20 this part.

21 SEC. 10. Section 11756.5 of the Health and Safety Code is  
22 repealed.

23 ~~11756.5. (a) The director shall provide funding for the~~  
24 ~~establishment of three pilot projects aimed at the prevention and~~  
25 ~~nonresidential treatment of alcohol and drug abuse in Asian and~~  
26 ~~Pacific Islander communities. Only one project shall be funded in~~  
27 ~~each county. The projects may serve either adults exclusively, or~~  
28 ~~youth exclusively, or both.~~

29 ~~(b) The pilot projects shall operate for a period of three years,~~  
30 ~~commencing on April 1, 1991.~~

31 ~~(c) Each of the pilot projects shall be located in counties that~~  
32 ~~have an unmet need for services to the Asian and Pacific Islander~~  
33 ~~population. The pilot projects shall be ethnic-specific, employing~~  
34 ~~bilingual, bicultural counselors, and involving family members~~  
35 ~~and traditional community resources and indigenous Asian and~~  
36 ~~Pacific Islander approaches.~~

37 ~~(d) In determining unmet needs, the department shall consider~~  
38 ~~the population and diversity of Asians and Pacific Islanders in each~~  
39 ~~county.~~

1 ~~(1) Only those programs that demonstrate a potential client~~  
2 ~~population of at least 3,000 shall be funded.~~

3 ~~(2) Each program to be funded shall demonstrate the capacity~~  
4 ~~to serve at least 5 percent of the potential client population.~~

5 ~~(e) In selecting the projects to be funded, the director shall also~~  
6 ~~consider evidence of community support, including, but not~~  
7 ~~limited to, business, educational, charitable, and social service~~  
8 ~~groups. Priority shall be given to programs aimed at respecting the~~  
9 ~~cultural diversity within the target population, especially new and~~  
10 ~~emerging immigrant groups, by offering a spectrum of services.~~

11 ~~(f) The department shall evaluate the success of the pilot~~  
12 ~~projects and shall submit an evaluation report to the Legislature no~~  
13 ~~later than December 1, 1994. The evaluation report shall contain,~~  
14 ~~but shall not be limited to, all the following:~~

15 ~~(1) The number of clients served by each pilot project.~~

16 ~~(2) The number of clients who successfully completed the~~  
17 ~~program offered by each pilot project.~~

18 ~~(3) The nature and extent of the alcohol and drug abuse of the~~  
19 ~~clients during the last 30 days of the program offered by each pilot~~  
20 ~~project.~~

21 ~~(4) The types of prevention and treatment services provided.~~

22 ~~(5) The effectiveness of using bilingual and bicultural~~  
23 ~~approaches to prevention and treatment.~~

24 ~~(g) A pilot project shall be deemed successful if both the~~  
25 ~~following occur:~~

26 ~~(1) The project served 20 percent more Asian and Pacific~~  
27 ~~Islander clients than were served by any previously existing~~  
28 ~~programs.~~

29 ~~(2) The number of referrals to the project from courts and social~~  
30 ~~service and mental health agencies increased 20 percent over prior~~  
31 ~~referrals to any previously existing programs.~~

32 ~~(h) To the extent permitted by federal law, the department shall~~  
33 ~~use three hundred thousand dollars (\$300,000) of available federal~~  
34 ~~Alcohol, Drug Abuse, and Mental Health Services Block Grant~~  
35 ~~funds to provide funding for the pilot projects established pursuant~~  
36 ~~to this section for the first year of implementation. It is the intent~~  
37 ~~of the Legislature that funding for the pilot projects in subsequent~~  
38 ~~years be appropriated in the annual Budget Act.~~

39 SEC. 11. Section 11757 of the Health and Safety Code is  
40 repealed.

1 ~~11757. (a) Commencing July 1, 1993, the department shall~~  
2 ~~issue single allocations to counties for alcohol and drug programs.~~

3 ~~(b) In issuing single allocations to counties, it is the intent of the~~  
4 ~~Legislature that counties shall allocate all funds received pursuant~~  
5 ~~to state and federal laws and regulations.~~

6 ~~(c) Within 90 days after notification of the final allocation of~~  
7 ~~each year, pursuant to Sections 11814 and 11983, the board of~~  
8 ~~supervisors of each county that elects to apply for funds under this~~  
9 ~~division shall adopt and submit to the department, in accordance~~  
10 ~~with the planning process approved by the county board of~~  
11 ~~supervisors pursuant to Sections 11810.6 and 11983.2 and any~~  
12 ~~regulations adopted by the department, an annual county alcohol~~  
13 ~~program plan or an annual county drug program plan, or both, for~~  
14 ~~the current state fiscal year. For counties applying for funds under~~  
15 ~~this division for both alcohol and drug programs, the county plans~~  
16 ~~may be separate or may be combined.~~

17 ~~(d) The approved program plan, as amended, shall remain in~~  
18 ~~effect to provide the basis for advance payment until the next~~  
19 ~~year's plan is due. The purpose of a county alcohol and drug~~  
20 ~~program plan shall be to provide the basis for reimbursements~~  
21 ~~pursuant to this division and to coordinate services pursuant to Part~~  
22 ~~2 (commencing with Section 11760), and Part 3 (commencing~~  
23 ~~with Section 11860), in a manner that avoids fragmentation of~~  
24 ~~services and unnecessary expenditures.~~

25 ~~(e) The department, after consultation with county alcohol and~~  
26 ~~drug program administrators, shall develop standardized forms to~~  
27 ~~be used by the counties in the submission of the combined county~~  
28 ~~alcohol and drug program plan. The forms shall include terms and~~  
29 ~~conditions relative to county compliance with applicable laws,~~  
30 ~~regulations, guidelines, and Budget Act requirements.~~

31 SEC. 12. Section 11757.51 of the Health and Safety Code is  
32 amended to read:

33 11757.51. The Legislature finds and declares the following:

34 (1) ~~There has been a rapid and alarming increase in the number~~  
35 ~~of infants born in California who are affected by alcohol or other~~  
36 ~~drugs during their mother's pregnancy. It is conservatively~~  
37 ~~estimated that there were 30,000 of these infants born in this state~~  
38 ~~during the 1988-89 fiscal year.~~

~~(2) One neonatal intensive care unit, at Martin Luther King Hospital in Los Angeles, has reported that 61 percent of its admissions are associated with alcohol or other drug problems.~~

~~(3) Maxicare Health Plan, Inc., a health maintenance organization, recently terminated its contracts with Medi-Cal to provide health care services in Alameda, San Francisco, and Contra Costa Counties, due to the high cost of cocaine-related complications to pregnancies.~~

~~(4) The State Department of Developmental Services and the State Department of Health Services report that their high risk infant projects have seen a 65 percent increase from fiscal year 1985-86 to fiscal year 1987-88 in infants affected by alcohol or other drugs.~~

~~(5)~~

~~(a) Many infants affected by alcohol or other drugs require neonatal intensive care because of low birth weight, prematurity, withdrawal symptoms, serious birth defects, and other medical problems. Alcohol or other drug affected infants are increasingly being placed in neonatal intensive care units and this care is very expensive. The State Department of Health Services reports that, under the Medi-Cal program, the average cost for an infant requiring admission into a neonatal intensive care unit is nineteen thousand dollars (\$19,000) and that those costs sometimes reach as high as one million dollars (\$1,000,000). The department also reports that from fiscal year 1983-84 to 1986-87, Medi-Cal program reimbursements for neonatal intensive care jumped 80 percent to one hundred four million dollars (\$104,000,000) annually.~~

~~(6)~~

~~(b) Alcohol and other drug affected infants place an expensive burden on the foster care system, regional centers, the public and private health care systems, and the public school system.~~

~~(7)~~

~~(c) The appropriate response to this crisis is prevention, through expanded resources for recovery from alcohol and other drug dependency. The only sure effective means of protecting the health of these infants is to provide the services needed by mothers to address a problem that is addictive, not chosen.~~

~~(8) There has been a rapid rise in admission requests for residential alcohol and drug treatment programs. The State~~



1 ~~Department of Alcohol and Drug Programs reports a 243 percent~~  
2 ~~increase since 1983 of admission requests for residential alcohol~~  
3 ~~and drug treatment programs by women with a primary drug~~  
4 ~~problem of cocaine.~~

5 ~~(9)–~~

6 (d) California has ~~more than 1,000,000~~ women of childbearing  
7 age who abuse alcohol or other drugs. Current resources are not  
8 adequate to meet the treatment needs of these women. California  
9 cannot delay addressing the serious need in this area. California  
10 taxpayers and health care consumers currently bear the enormous  
11 financial burden of alcohol and other drug affected infants and  
12 those costs can only be contained through expansion of treatment  
13 services for women who have an alcohol or other drug dependency  
14 and prevention services for women at risk of developing an alcohol  
15 or other drug dependency.

16 ~~(10)–~~

17 (e) Comprehensive prevention and treatment services for both  
18 mothers and infants need to be provided in a multidisciplinary,  
19 multispecialist, and multiagency fashion, necessitating  
20 coordination by both state and local governments.

21 ~~(11)–~~

22 (f) Intervention strategies for women at risk of developing an  
23 alcohol or other drug dependency have proven effective and there  
24 are ~~programs~~ currently in operation ~~which~~ *programs that* can be  
25 expanded and modified to meet the critical need in this area.

26 SEC. 13. Section 11757.55 of the Health and Safety Code is  
27 repealed.

28 ~~11757.55. (a) The Health and Welfare Agency shall create an~~  
29 ~~interagency task force composed of representatives of the~~  
30 ~~department, the State Department of Health Services, the State~~  
31 ~~Department of Developmental Services, and the State Department~~  
32 ~~of Social Services. The office shall provide the leadership for the~~  
33 ~~interagency task force and may reimburse the other departments~~  
34 ~~specified in this subdivision for their costs associated with the~~  
35 ~~interagency task force activities.~~

36 ~~(b) The State Department of Education, the Department of~~  
37 ~~Housing and Community Development, the office of the Attorney~~  
38 ~~General, and the State Department of Mental Health may~~  
39 ~~participate with the interagency task force when necessary to~~

1 ~~implement the state strategy developed pursuant to subdivision~~  
2 ~~(e).~~

3 ~~(e) The office, in consultation with the interagency task force,~~  
4 ~~shall develop a coordinated state strategy for addressing the~~  
5 ~~treatment needs of pregnant women, postpartum women, and their~~  
6 ~~children for alcohol or drug abuse.~~

7 SEC. 14. Section 11757.57 of the Health and Safety Code is  
8 amended to read:

9 11757.57. (a) The office may provide or contract for training  
10 regarding alcohol and *other* drug dependency to providers of  
11 health, social, educational, and support services to women of  
12 childbearing age and their children.

13 (b) The purpose of any training provided pursuant to  
14 subdivision (a) may be to facilitate the taking of appropriate and  
15 thorough medical and social histories of women of childbearing  
16 age in order to identify those in special need of alcohol or other  
17 drug treatment services and *to identify* skills for providing case  
18 management services to alcohol and *other* drug using women and  
19 their infants. Additional training topics may be covered, including,  
20 but not limited to, how to develop procedures for referring those  
21 in need of alcohol and other drug treatment services and how to  
22 provide appropriate social and emotional support to, as well as  
23 developmental monitoring of, drug affected infants and children  
24 and their families.

25 SEC. 15. Section 11757.59 of the Health and Safety Code is  
26 amended to read:

27 11757.59. (a) ~~The funds distributed for the expansion of the~~  
28 ~~pilot project, Services for Alcohol and Drug Abusing Pregnant and~~  
29 ~~Parenting Women and Their Infants, made available through the~~  
30 ~~budget process; Funds distributed under this chapter~~ shall be used  
31 by counties to fund residential and nonresidential alcohol and  
32 *other* drug treatment programs for pregnant women, postpartum  
33 women, and their children and to fund other support services  
34 directed at bringing pregnant and postpartum women into  
35 treatment and caring for alcohol and *other* drug exposed infants.  
36 ~~Any funding provided shall be used to either initiate new and~~  
37 ~~innovative alcohol or other drug dependency treatment programs~~  
38 ~~or other support services tailored to meet the needs of pregnant~~  
39 ~~women, postpartum women, and their children or to strengthen~~  
40 ~~and expand current treatment programs or other support services~~

1 ~~deemed by the department to be effective in treating pregnant~~  
2 ~~women, postpartum women, and their children for alcohol or drug~~  
3 ~~dependency.~~ Funds may also be used to provide case management  
4 services to alcohol and *other* drug abusing women and their  
5 children and special recruitment, training, and support services for  
6 foster care parents of substance exposed infants.

7 ~~(b) In selecting counties to receive funds pursuant to~~  
8 ~~subdivision (a) carrying out its responsibilities under this chapter,~~  
9 the office may include in its guidelines ~~for selection consideration~~  
10 ~~of the ability of the county to provide or arrange for the special~~  
11 needs of pregnant women and postpartum women who are  
12 chemically dependent and who are in need of treatment services.  
13 These special needs include, but are not limited to, the following:

14 (1) Provision for medical services, which may include, but not  
15 be limited to, the following:

16 (A) Low-risk and high-risk prenatal care.

17 (B) Pediatric followup care, including preventive infant health  
18 care.

19 (C) Developmental followup care.

20 (D) Nutrition counseling.

21 (E) ~~Methodone~~ *Methadone*.

22 (F) Testing and counseling relating to AIDS.

23 (G) Monthly visits with a physician and surgeon who  
24 specializes in treating persons with chemical dependencies.

25 (2) Provision for nonmedical services, which may include, but  
26 not be limited to, the following:

27 (A) Case management.

28 (B) Individual or group counseling sessions, which occur at  
29 least once a week.

30 (C) Family counseling, including, but not limited to,  
31 counseling services for partners and children of the women.

32 (D) Health education services, including perinatal chemical  
33 dependency classes, addressing topics that include, but are not  
34 limited to, the effects of drugs on infants, AIDS, addiction in the  
35 family, child development, nutrition, self esteem, and responsible  
36 decisionmaking.

37 (E) Parenting classes.

38 (F) Adequate child care for participating women.

1 (G) ~~Encouragement~~ *Encouragement* of active participation and  
2 support by spouses, domestic partners, family members, and  
3 friends.

4 (H) Opportunities for a women-only treatment environment.

5 (I) Transportation to outpatient treatment programs.

6 (J) Followup services, which may include, but not be limited  
7 to, assistance with transition into housing in a drug-free  
8 environment.

9 (K) Child development services.

10 (L) Educational and vocational services for women.

11 (M) Weekly urine testing.

12 (N) Special recruitment, training, and support services for  
13 foster care parents of substance exposed infants.

14 (O) Outreach which reflects the cultural and ethnic diversity of  
15 the population served.

16 ~~(e) The alcohol and drug programs funded pursuant to this~~  
17 ~~section may provide treatment for alcohol abuse only, drug abuse~~  
18 ~~only, or both alcohol and drug abuse.~~

19 SEC. 16. Section 11757.61 of the Health and Safety Code is  
20 amended to read:

21 11757.61. (a) Any county that ~~elects to apply to the office for~~  
22 *receives* funds distributed under this chapter shall establish a  
23 perinatal coordinating council ~~which~~ *that* consists of persons who  
24 are experts in the areas of alcohol and *other* drug treatment, client  
25 outreach and intervention with alcohol and *other* drug abusing  
26 women, child welfare services, maternal and child health services,  
27 *and* developmental services, and representatives from other  
28 community-based organizations. The county board of supervisors  
29 shall select an agency or department of the county to be the lead  
30 agency. The coordination efforts provided by the lead agency  
31 through the council shall include, but not be limited to, the  
32 following:

33 (1) The identification of the extent of the perinatal alcohol and  
34 *other* drug abuse problem in the county based on existing data.

35 (2) The development of coordinated responses by county  
36 health and social service agencies and departments, which  
37 *responses shall* address the problem of perinatal alcohol and *other*  
38 drug abuse in the county.

(3) The definition of the elements of an integrated alcohol and *other* drug abuse recovery system for pregnant women, postpartum women, and their children.

(4) The identification of essential support services to be included into the integrated recovery system defined pursuant to paragraph (3).

(5) The promotion of communitywide understanding of the perinatal alcohol and *other* drug abuse problem in the county and appropriate responses to the problem.

(6) The communication with policymakers at both the state and federal level about prevention and treatment needs for pregnant women, postpartum women, and their children for alcohol and *other* drug abuse that need to be addressed.

(7) The utilization of services ~~which~~ *that* emphasize coordination of treatment services with other health, child welfare, child development, and education services.

SEC. 17. Section 11757.62 of the Health and Safety Code is repealed.

~~11757.62. The office, in consultation with the interagency task force, shall evaluate the effectiveness of the pilot project, Services to Alcohol and Drug Abusing Pregnant and Parenting Women and Their Infants, and shall report its findings to the Legislature no later than June 30, 1994.~~

SEC. 18. Section 11757.63 of the Health and Safety Code is repealed.

~~11757.63. This chapter shall only apply to the expansion of the pilot project, Services for Alcohol and Drug Abusing Pregnant and Parenting Women and Their Infants, as specified in Items 4200-001-890 and 4200-101-890 of Section 2.00 of the Budget Act of 1990.~~

SEC. 19. Section 11757.65 of the Health and Safety Code is repealed.

~~11757.65. Funding for the continuing implementation and expansion of the program established by this chapter shall be through the budget process.~~

SEC. 20. Section 11757.66 of the Health and Safety Code is repealed.

~~11757.66. On June 1, 1994, the Health and Welfare Agency may transfer the powers and duties of the Office of Perinatal~~

~~Substance Abuse from the State Department of Alcohol and Drug Programs to another state department.~~

SEC. 21. The heading of Chapter 3 (commencing with Section 11758.10) of Part 1 of Division 10.5 of the Health and Safety Code is amended to read:

CHAPTER 3. *COUNTY PLANS AND NEGOTIATED NET AMOUNT CONTRACTS* ~~PILOT PROJECT~~

SEC. 22. Section 11758.10 of the Health and Safety Code is repealed.

~~11758.10. (a) (1) Notwithstanding any other provision of law, the department shall contract with any county that requests to participate in the pilot project for the 1993-94 fiscal year.~~

~~The pilot project shall terminate on June 30, 1994. The department shall negotiate, on or before July 1, 1994, multiyear net amount contracts with every county. The department shall allocate funds to each county in accordance with Sections 11814 and 11983. The department shall predicate its contract negotiations on the availability of a mutually agreeable dedicated capacity.~~

~~(b) The department shall submit a final report by January 1, 1995, to the Chairperson of the Senate Health and Human Services Committee, the Chairperson of the Assembly Health Committee, and the Chairperson of the Assembly Human Services Committee as to whether the use of negotiated net amount contracts under this pilot project result in improved levels of efficiency, local discretion and flexibility, reduced local administrative overhead and costs, and increased program funds for services, as well as maintenance of quality and access within the counties requesting to participate in the pilot project.~~

SEC. 23. Section 11758.10 is added to the Health and Safety Code, to read:

11758.10. (a) (1) Within 60 days after notification of the final allocation of each fiscal year pursuant to Section 11814, the board of supervisors of each county that receives funds under this division shall adopt and submit to the department, in accordance with the planning process approved by the county board of supervisors and Section 11798, a county plan.

(2) Within 60 days after notification of the final allocation of each fiscal year pursuant to Section 11814, the board of supervisors of each county requesting to participate shall submit

1 to the department, in accordance with Section 11798, a negotiated  
2 net amount contract for alcohol and other drug abuse services.

3 (b) The approved county plan, or executed negotiated net  
4 amount contract, as amended, shall remain in effect to provide the  
5 basis for advance payment until the next year's plan is approved  
6 or contract amendment is executed. The purpose of these county  
7 plans and contracts shall be to provide the basis for  
8 reimbursements pursuant to this division and to coordinate  
9 services pursuant to Part 2 (commencing with Section 11760) in  
10 a manner that avoids fragmentation of services and unnecessary  
11 expenditures.

12 (c) The department, after consultation with county alcohol and  
13 drug program administrators, shall develop standardized forms to  
14 be used by the counties in the submission of the county plan and  
15 negotiated net amount contract. The forms shall include terms and  
16 conditions relative to county compliance with applicable laws,  
17 regulations, guidelines, and Budget Act requirements.

18 SEC. 24. Section 11758.12 of the Health and Safety Code is  
19 amended to read:

20 11758.12. (a) A negotiated net amount, for the purposes of  
21 this chapter, shall be determined by calculating the total budget for  
22 services less the amount of projected revenue. These net amounts  
23 for alcohol or *other* drug services, or both, shall be negotiated for  
24 each year of the contract between the participating county and the  
25 department and shall be disbursed to participating counties  
26 monthly in arrears, upon enactment of the Budget Act. Monthly  
27 disbursements to the participating county at the beginning of each  
28 fiscal year shall be based on the preliminary allocation of funds  
29 issued by the department. The payments shall be based on  
30 appropriations made by the Legislature and monthly payments  
31 shall be adjusted to reflect reductions and deletions made by the  
32 Legislature. The department shall have the option to either  
33 terminate this agreement or amend the contract to reflect the  
34 reduced funding. The payments shall continue at the adjusted level  
35 until the negotiated contract is amended to reflect the final state  
36 budget for the fiscal year and the final allocation to the counties.

37 (b) ~~(1) No contracts shall become final until approved by both~~  
38 ~~the county and the department. For the 1994-95 fiscal year and~~  
39 ~~every fiscal year thereafter, contract negotiations shall conclude~~  
40 ~~by May 1 of the prior fiscal year, and the contract shall be approved~~



~~by October 1 of the contracted fiscal year, and shall cover the period July 1, to June 30, inclusive.~~

~~(2) If negotiations are not concluded by May 1 of each fiscal year or the contract is approved by October 1, of each fiscal year, the following remedies shall be the exclusive remedies:~~

~~(A) If the contract is not timely negotiated or timely approved as a result of the county failing to comply with scheduled timeframes and schedule meetings, or as a result of administrative delays at the county level, the county shall be required to revert to a cost reimbursement mechanism, and payments shall be subject to contract approval, or both.~~

~~(B) If the contract is not timely negotiated or timely approved as a result of the department failing to comply with scheduled timeframes and scheduled meetings, or as a result of administrative delays at the state level, the department shall grant additional days for contract negotiations or contract approval in direct proportion to the number of days of delay resulting from department action or state action, or both.~~

~~(c) Once the negotiated net amount is approved by the department, all participating government funding sources, except for the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), shall be bound to that amount as the cost of providing alcohol or drug services, or both, as described in the contract. Where the State Department of Health Services adopts regulations for determining reimbursement of county alcohol and *other* drug program plan services allowable under the Medi-Cal program, those regulations shall be controlling only as to the rates for reimbursement of these services allowable under the Medi-Cal program and rendered to Medi-Cal beneficiaries.~~

~~(d)–~~

~~(c) Participating counties shall report to the department any information required by the department in accordance with, but shall not exceed, any statutory restrictions, limitations, or conditions enacted by the Legislature, including the applicable Budget Act, or federal law and regulations.~~

~~(e)–~~

~~(d) Absent a finding of fraud, abuse, or failure to achieve contract objectives, no restrictions, other than any contained in the an executed negotiated net amount contract, a Drug Medi-Cal~~

1 *contract, and an approved county plan, whichever is applicable,*  
2 *shall be placed upon a county's expenditure or retention of state*  
3 *General Fund funds received pursuant to this chapter, with the*  
4 *exception of state General Fund funds used as a match for Drug*  
5 *Medi-Cal federal financial participation.*

6 ~~(f) The county shall notify the department by a date specified~~  
7 ~~in the contract, in each fiscal year, of any unspent federal funds that~~  
8 ~~are to be added to the county's contract for the following fiscal~~  
9 ~~year. These funds shall be spent first by the county in the next~~  
10 ~~contract year.~~

11 ~~(g) Unspent federal funds identified after a date specified in the~~  
12 ~~contract shall be retained by the department, except for those funds~~  
13 ~~awarded to the department by the federal government for specified~~  
14 ~~providers or federal categorical projects.~~

15 ~~(h)–~~

16 ~~(e) Unspent general funds identified after a date specified in the~~  
17 ~~contract shall be retained by the county and spent on identifiable~~  
18 ~~drug and alcohol service priorities in accordance with the contract.~~

19 SEC. 25. Section 11758.13 of the Health and Safety Code is  
20 amended to read:

21 11758.13. ~~Terms~~ *The terms of the a negotiated net amount*  
22 *contract shall meet all of the following criteria:*

23 ~~(a) Provision for an adequate quality and quantity of services.~~

24 ~~(b) Provision for access to services by persons otherwise~~  
25 ~~eligible for county drug and alcohol programs.~~

26 ~~(c) Provision for access by the department to financial and~~  
27 ~~service records for the purpose of verifying conformance to~~  
28 ~~provisions of the contract and the establishment of data necessary~~  
29 ~~for subsequent contract negotiation.~~

30 ~~(d) (1) Prior to opening of negotiations, the local program~~  
31 ~~administrator shall submit to the local advisory board an outline~~  
32 ~~of issues to be negotiated and the intended agreement on each~~  
33 ~~issue.~~

34 ~~(2) At each regular meeting of the advisory board during the~~  
35 ~~period of negotiations, the local program administrator shall~~  
36 ~~inform the advisory board of progress on each issue and shall~~  
37 ~~request the advisory board's advice on how to further proceed on~~  
38 ~~the negotiations.~~

1 ~~(e) A provision requiring that all funds paid out by the state~~  
2 ~~under this chapter shall be used exclusively by the participating~~  
3 ~~county for the purposes for which it was paid out.~~

4 ~~(f) The participating county shall bear the financial risk in~~  
5 ~~providing any alcohol or drug services, or both, to the population~~  
6 ~~described and enumerated in the approved contract within the net~~  
7 ~~amount.~~

8 ~~(g) Negotiated net amount contracts shall not preclude the~~  
9 ~~county from subcontracting to purchase all or part of the delivery~~  
10 ~~of alcohol or drug services, or both, from noncounty providers.~~

11 ~~(h) Funds for negotiated net amount contracts in those counties~~  
12 ~~with a population under 200,000 may be adjusted between alcohol~~  
13 ~~programs and drug programs as negotiated by the State~~  
14 ~~Department of Alcohol and Drug Programs and the county in their~~  
15 ~~contracts.~~

16 ~~(i) Each county, as part of the negotiated net contracts process~~  
17 ~~between the county and the State Department of Alcohol and Drug~~  
18 ~~Programs, shall adhere to Sections 11840 and 11987.4 requiring~~  
19 ~~matching funds by the county for programs and services under this~~  
20 ~~section.~~

21 ~~(j) A provision requiring that the county comply with~~  
22 ~~applicable state and federal laws, regulations, and standards in~~  
23 ~~expending money for the provision of drug and alcohol services.~~

24 ~~(k) A provision requiring counties to submit, prior to~~  
25 ~~negotiations and in accordance with subdivision (h) of Section~~  
26 ~~11758.12, a plan for the expenditure of all unspent state general~~  
27 ~~funds.~~

28 ~~(l) The terms of the contract shall include a provision for the~~  
29 ~~resolution of disputed audit findings.~~

30 ~~(m) A~~ *contain a* provision defining and expanding upon  
31 dedicated capacity. At a minimum “dedicated capacity” shall be  
32 defined as a historically calculated service modality and service  
33 capacity that is adjusted for the projected expansion or reduction  
34 in services that the counties agree to make available to provide  
35 ~~drug and alcohol and other drug~~ services to persons otherwise  
36 eligible for county services. *The department shall base its contract*  
37 *negotiations on the availability of a mutually agreeable dedicated*  
38 *capacity.*

SEC. 26. The heading of Chapter 3.3 (commencing with Section 11758.20) of Part 1 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 27. Section 11758.20 of the Health and Safety Code is amended to read:

11758.20. (a) The department shall negotiate net amount contracts, with each county that requests to participate, in lieu of the county program plans, budgets, and reports required under Sections 11810.5, 11810.6, 11810.7, 11815, 11815.5, 11815.9, 11816, 11817, and 11819, or Sections 11983, 11983.1, 11983.2, 11983.21, 11983.22, 11983.3, and subdivision (d) of Section 11983.5.

(b) The department shall allocate funds for the purpose of establishing negotiated net amount contracts to, *Drug Medi-Cal contracts, or both*, with each participating county in accordance with Sections 11814 and 11983 Sections 11814 and 11817.3.

SEC. 28. Section 11758.23 of the Health and Safety Code is amended to read:

11758.23. (a) The department and counties shall calculate the negotiated *net* amount, for the purposes of this chapter Section 11758.20, by calculating the total budget for services less the amount of projected revenue. These net amounts for alcohol ~~or~~ and other drug services, ~~or both~~, shall be negotiated each fiscal year between the participating counties and the department and shall be disbursed to participating counties on a monthly basis.

(b) No contract shall become final until ~~approved~~ *executed* by both the participating county and the department. ~~For fiscal year 1993-94, and for every fiscal year thereafter, a~~ A contract shall be ~~approved~~ *executed* by September 30, and shall cover the fiscal year period from July 1 to June 30, inclusive. In the event the participating county or the department does not ~~approve~~ *execute* the contract by September 30, or in the event a contract is timely ~~approved~~ *executed*, but the county does not meet the performance requirements of the contract, the county shall be compensated for work performed upon submission by the county of ~~an alcohol or drug program~~ *a county plan, or both*, in accordance with Section 11798 or Sections 11983.1 and 11983.2.

(c) When a negotiated net amount contract is ~~approved~~ *executed* by the department, all participating government funding sources, except for the Medi-Cal program (Chapter 7

(commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), shall be bound to that amount as the cost of providing alcohol or *other* drug services, ~~or both~~, subject to meeting the performance requirements in the contract.

SEC. 29. Section 11758.25 of the Health and Safety Code is amended to read:

11758.25. (a) Performance requirements shall be included within the terms of the negotiated net amount contract and shall include, at a minimum, all of the following:

(1) Provision for an adequate quality and quantity of service.

(2) Provision for access to services by persons residing within the contracting county.

~~(3) A provision establishing a 90 percent minimum required utilization level to constitute performance under the contract. This provision shall only apply to the utilization of state General Fund moneys.~~

~~(4) A provision requiring that all funds paid by the state for alcohol or and other drug programs, or both, shall be used exclusively for the purpose for which the payment was made.~~

~~(5)~~

(4) A provision requiring that performance be in compliance with applicable state and federal laws, regulations, and standards.

(b) When a minimum required utilization level is measured to dedicated capacity, “dedicated capacity” shall be the available capacity based on historical data and department-approved projected expansion of a service modality identified in the contract.

(c) The terms of the contract shall include a provision that allows the department access to county and subcontractor financial and service records for the purpose of auditing the requirements in the contract and establishing the data necessary for prospective contract negotiations.

(d) The terms of the contract shall include a provision for resolution of disputed audit findings.

SEC. 30. Section 11758.27 of the Health and Safety Code is repealed.

~~11758.27. (a) The county shall notify the department by a date specified in the contract, in each fiscal year, of any unexpended federal funds that are to be added to the county's~~

1 ~~contract for the following fiscal year. These funds shall be~~  
2 ~~expended first by the county in the next contract year.~~

3 ~~(b) Unexpended federal funds identified after a date specified~~  
4 ~~in the contract shall be retained by the department, except for those~~  
5 ~~funds awarded to the department by the federal government for~~  
6 ~~specified providers or categorical projects.~~

7 SEC. 31. Section 11758.29 of the Health and Safety Code is  
8 amended to read:

9 11758.29. (a) ~~The participating~~ *A county with an executed*  
10 *negotiated net amount contract* shall bear the financial risk in  
11 providing any alcohol or *other* drug services, ~~or both~~, to the  
12 population described and enumerated in the ~~approved~~ *executed*  
13 contract within the net amount.

14 (b) The participating county shall not be precluded from  
15 subcontracting to purchase all or part of the delivery of alcohol ~~or~~  
16 ~~and other~~ drug services, ~~or both~~, from noncounty providers.

17 (c) ~~Funds for negotiated net amount contracts in those counties~~  
18 ~~with a population under 200,000 may be adjusted between alcohol~~  
19 ~~and drug programs as negotiated by the department and the county~~  
20 ~~within the terms of the contract.~~

21 ~~(d) The participating county shall comply with Sections 11840,~~  
22 ~~and 11840.1, and 11987.4 to provide matching funds for programs~~  
23 ~~and services.~~

24 ~~(e)~~  
25 (d) The participating county shall submit to the department  
26 statistical data, as required in the contract, and end-of-year cost  
27 data no later than 60 days after the close of the fiscal year.

28 SEC. 32. Section 11758.33 of the Health and Safety Code is  
29 repealed.

30 ~~11758.33. Nothing in this chapter shall be construed to apply~~  
31 ~~to negotiated net amount contracts under the pilot project~~  
32 ~~established pursuant to Chapter 3 (commencing with Section~~  
33 ~~11758.10) of Part 1 of Division 10.5 of the Health and Safety Code.~~

34 SEC. 33. Section 11758.40 of the Health and Safety Code is  
35 amended to read:

36 11758.40. Notwithstanding ~~subdivision (e) of Section~~  
37 ~~11758.12 and~~ subdivision (c) of Section 11758.23, the department  
38 may enter into a Medi-Cal Drug Treatment Program contract with  
39 each county for the provision of services within the county service  
40 area.

1 SEC. 34. Section 11758.41 of the Health and Safety Code is  
2 repealed.

3 ~~11758.41. (a) It is the intent of the Legislature that the~~  
4 ~~department, in consultation with narcotic treatment program~~  
5 ~~providers, county alcohol and drug program administrators, and~~  
6 ~~organizations advocating on behalf of Medi-Cal beneficiaries, no~~  
7 ~~later than March 1, 1997, complete a review of existing state~~  
8 ~~regulations for consistency and necessity to eliminate unnecessary~~  
9 ~~costs for administration of narcotic treatment programs.~~

10 ~~(b) Based on the review, described pursuant to subdivision (a),~~  
11 ~~the department and the State Department of Health Services shall~~  
12 ~~commence rulemaking proceedings, in order to adopt, amend, or~~  
13 ~~repeal regulations, as needed.~~

14 SEC. 35. Section 11758.43 of the Health and Safety Code is  
15 amended to read:

16 11758.43. To the extent any county refuses to execute the  
17 Medi-Cal Drug Treatment Program contract in accordance with  
18 the requirements of federal ~~medicaid~~ *Medicaid* and state Medi-Cal  
19 laws, and in accordance with the federal court order and any future  
20 action in the case of *Sobky v. Smoley*, 855 F. Supp. 1123 (E. D.  
21 Cal.), the department shall contract directly with the certified  
22 providers in that county, and retain that portion of that county's  
23 state General Fund allocation necessary to meet the cost of  
24 providing services to eligible beneficiaries and the costs to the state  
25 of administering the Medi-Cal Drug Treatment Program contracts.

26 SEC. 36. Section 11758.46 of the Health and Safety Code is  
27 amended to read:

28 11758.46. (a) For purposes of this section, ~~“drug Medi-Cal~~  
29 ~~“Drug Medi-Cal services”~~ means all of the following services,  
30 administered by the department, and to the extent consistent with  
31 state and federal law:

32 (1) Narcotic treatment program services, as set forth in Section  
33 11758.42.

34 (2) Day care ~~habilitative~~ *rehabilitative* services.

35 (3) Perinatal residential services for pregnant women and  
36 women in the postpartum period.

37 (4) Naltrexone services.

38 (5) Outpatient drug-free services.

39 (b) Upon federal approval of a federal medicaid state plan  
40 amendment authorizing federal financial participation in the



1 following services, and subject to appropriation of funds,  
2 ~~“drug Medi-Cal” services~~ “*Drug Medi-Cal services*” shall also  
3 include the following services, administered by the department,  
4 and to the extent consistent with state and federal law:

5 (1) Notwithstanding subdivision (a) of Section 14132.90 of the  
6 Welfare and Institutions Code, day care habilitative services,  
7 which, for purposes of this paragraph, are outpatient counseling  
8 and rehabilitation services provided to persons with alcohol or  
9 other drug abuse diagnoses.

10 (2) Case management services, including supportive services  
11 to assist persons with alcohol or other drug abuse diagnoses in  
12 gaining access to medical, social, educational, and other needed  
13 services.

14 (3) Aftercare services.

15 ~~(c) The department shall adopt emergency regulations to~~  
16 ~~implement subdivision (b). The regulations shall be developed in~~  
17 ~~conjunction with appropriate stakeholders.~~

18 ~~(d) (1) By July 1, 1997, and annually thereafter, Annually,~~ the  
19 department shall publish procedures for contracting for  
20 ~~drug Medi-Cal~~ *Drug Medi-Cal* services with certified providers  
21 and for claiming payments, including procedures and  
22 specifications for electronic data submission for services  
23 rendered.

24 ~~(2) By July 1, 1997, the~~ The department, county alcohol and  
25 drug program administrators, and alcohol and drug service  
26 providers shall automate the claiming process and the process for  
27 the submission of specific data required in connection with  
28 reimbursement for ~~drug Medi-Cal~~ *Drug Medi-Cal* services,  
29 except that this requirement applies only if funding is available  
30 from sources other than those made available for treatment or other  
31 services.

32 ~~(e)~~

33 ~~(d)~~ A county or a contractor for the provision of ~~drug Medi-Cal~~  
34 *Drug Medi-Cal* services shall notify the department, within 30  
35 days of the receipt of the county allocation, of its intent to contract,  
36 as a component of the single state-county contract, ~~for~~ and provide  
37 certified services pursuant to Section 11758.42, for the proposed  
38 budget year. The notification shall include an accurate and  
39 complete budget proposal, the structure of which shall be mutually  
40 agreed to by county alcohol and drug program administrators and

the department, in the format provided by the department, for specific services, for a specific time period, *and including* estimated units of service, estimated rate per unit consistent with law and regulations, and total estimated cost for appropriate services.

~~(f)~~

(e) (1) Within 30 days of receipt of the proposal described in subdivision ~~(e)~~ (d), the department shall provide, to counties and contractors proposing to provide ~~drug-Medi-Cal~~ Drug Medi-Cal services in the proposed budget year, a proposed multiple-year contract, as a component of the single state-county contract, for these services, a current utilization control plan, and appropriate administrative procedures.

(2) A county contracting for alcohol and drug services shall receive a single state-county contract for the net negotiated amount and ~~drug-Medi-Cal~~ Drug Medi-Cal services.

(3) Contractors contracting for ~~drug-Medi-Cal~~ Drug Medi-Cal services shall receive a ~~drug-Medi-Cal~~ Drug Medi-Cal contract.

~~(g)~~

(f) (1) Upon receipt of a contract proposal pursuant to subdivision ~~(e)~~ (d), a county and a contractor seeking to provide reimbursable ~~drug-Medi-Cal~~ Drug Medi-Cal services and the department may begin negotiations and the process for contract approval.

(2) If a county does not approve a contract by July 1 of the appropriate fiscal year, in accordance with subdivisions ~~(d) to (f)~~ (c) to (e), inclusive, the county shall have 30 additional days in which to approve a contract. If the county has not approved the contract by the end of that 30-day period, the department shall contract directly for services within 30 days.

(3) Counties shall negotiate contracts only with providers certified to provide reimbursable ~~drug-Medi-Cal~~ Drug Medi-Cal services and that elect to participate in this program. Upon contract approval by the department, a county shall establish approved contracts with certified providers within 30 days following enactment of the annual Budget Act. A county may establish contract provisions to ensure interim funding pending the execution of final contracts, multiple-year contracts pending final annual approval by the department, and, to the extent allowable

1 under the annual Budget Act, other procedures to ensure timely  
2 payment for services.

3 ~~(h)~~

4 (g) (1) For counties and contractors providing ~~drug-Medi-Cal~~  
5 *Drug Medi-Cal* services, pursuant to approved contracts, and that  
6 have accurate and complete claims, reimbursement for services  
7 from state General Fund moneys shall commence no later than 45  
8 days following the enactment of the annual Budget Act for the  
9 appropriate state fiscal year.

10 (2) For counties and contractors providing ~~drug-Medi-Cal~~  
11 *Drug Medi-Cal* services, pursuant to approved contracts, and that  
12 have accurate and complete claims, reimbursement for services  
13 from federal-medicaid *Medicaid* funds shall commence no later  
14 than 45 days following the enactment of the annual Budget Act for  
15 the appropriate state fiscal year.

16 (3) ~~By July 1, 1997, the~~ The State Department of Health  
17 Services and the department shall develop methods to ensure  
18 timely payment of ~~drug-Medi-Cal~~ *Drug Medi-Cal* claims.

19 (4) The State Department of Health Services, in cooperation  
20 with the department, shall take steps necessary to streamline the  
21 billing system for reimbursable ~~drug-Medi-Cal~~ *Drug Medi-Cal*  
22 services, to assist the department in meeting the billing provisions  
23 set forth in this subdivision.

24 ~~(i)~~

25 (h) The department shall submit a proposed interagency  
26 agreement to the State Department of Health Services by May 1  
27 for the following fiscal year. Review and interim approval of all  
28 contractual and programmatic requirements, except final fiscal  
29 estimates, shall be completed by the State Department of Health  
30 Services by July 1. The interagency agreement shall not take effect  
31 until the annual Budget Act is enacted and fiscal estimates are  
32 approved by the State Department of Health Services. Final  
33 approval shall be completed within 45 days of enactment of the  
34 Budget Act.

35 ~~(j)~~

36 (i) (1) A county or a provider certified to provide reimbursable  
37 ~~drug-Medi-Cal~~ *Drug Medi-Cal* services, that is contracting with  
38 the department, shall estimate the cost of those services by April  
39 1 of the fiscal year covered by the contract, and shall amend current  
40 contracts, as necessary, by the following July 1.

(2) A county or a provider, except for a provider to whom subdivision ~~(k)~~ (j) applies, shall submit accurate and complete cost reports for the previous state fiscal year by November 1, following the end of the state fiscal year. The department may settle cost for ~~drug-Medi-Cal~~ *Drug Medi-Cal* services, based on the cost report as the final amendment to the approved single state-county contract.

~~(k)~~

(j) Certified narcotic treatment program providers, that are exclusively billing the state or the county for services rendered to persons subject to Section 1210.1 of the Penal Code, Section 3063.1 of the Penal Code, or Section 11758.42 shall submit accurate and complete performance reports for the previous state fiscal year by November 1 following the end of that state fiscal year. A provider to which this subdivision applies shall estimate its budgets using the uniform state monthly reimbursement rate. The format and content of the performance reports shall be mutually agreed to by the department, the County Alcohol and Drug Program Administrators Association of California, and representatives of the ~~narcotic~~ treatment providers.

SEC. 37. Chapter 3.5 (commencing with Section 11758.50) of Part 1 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 38. Section 11759.1 of the Health and Safety Code is amended to read:

11759.1. The department, in collaboration with counties and providers of alcohol and *other* drug services, shall establish community-based nonresidential and residential recovery programs to intervene and treat the problems of alcohol and ~~drugs~~ *other drug use* among youth.

SEC. 39. Section 11759.2 of the Health and Safety Code is amended to read:

11759.2. The department, in collaboration with counties and providers of alcohol and *other* drug services, shall establish criteria for participation, programmatic requirements, and terms and conditions for funding. These criteria shall include, but not be limited to, local match requirements of 10 percent, either in-kind or in cash. The criteria shall also include consideration of indicators of ~~drug and~~ alcohol *and other drug* use among youth so that funds are targeted to localities with the highest need.

SEC. 40. Section 11759.4 of the Health and Safety Code is amended to read:

11759.4. Not later than January 1 of each year, the department, in collaboration with the counties and providers of alcohol and *other* drug services, shall report to the Legislature during budget hearings regarding the status of the implementation of this chapter.

SEC. 41. Section 11759.5 of the Health and Safety Code is repealed.

~~11759.5. (a) Funding for this chapter has been made to the department pursuant to Schedule (a) of Item 4200-101-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998).~~

~~(b) Of the amount appropriated to the department pursuant to subdivision (a), the department may expend up to one hundred thousand dollars (\$100,000) for purposes of developing standards and procedures to implement this chapter.~~

SEC. 42. Chapter 5 (commencing with Section 11759.10) of Part 1 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 43. The heading of Part 2 (commencing with Section 11760) of Division 10.5 of the Health and Safety Code is amended to read:

PART 2. STATE GOVERNMENT'S ROLE TO ALLEVIATE PROBLEMS RELATED TO THE INAPPROPRIATE USE OF ALCOHOLIC BEVERAGES AND *OTHER DRUG USE*

SEC. 44. The heading of Article 1 (commencing with Section 11760) of Chapter 1 of Part 2 of Division 10.5 of the Health and Safety Code is amended to read:

Article 1. Statement of Problems Related to the Inappropriate Use of Alcoholic Beverages *and Other Drug Use* and the Reasons for and Limitations on State Government's Role

SEC. 45. Section 11760 of the Health and Safety Code is amended to read:

11760. The Legislature finds and declares that problems related to the inappropriate use of alcoholic beverages *and other drug use* adversely affect the general welfare of the people of California. These problems, ~~which constitute the most serious~~

~~drug problem in California~~, include, but are not limited, to the following:

(a) Substantial fatalities, permanent disability, and property damage ~~which result~~ *resulting* from driving under the influence of ~~alcoholic beverages and influence. Crimes involving alcohol and other drug use~~ are a drain on law enforcement, the courts, and the penal system ~~which result from crimes involving inappropriate alcohol use.~~

(b) Alcoholism in the individual, which is an addiction to the drug alcohol, with its attendant deterioration of physical and emotional health and social well-being.

(c) Alcoholism *and other drug use* in the family with its attendant deterioration of all relationships and the well-being of family members.

(d) A risk of increased susceptibility to serious illnesses and other major health problems ~~which that~~ ultimately create a burden on both public and private health facilities and resources.

(e) A risk of fetal alcohol syndrome.

(f) Losses in production and tax revenues due to absenteeism, unemployment, and industrial accidents.

SEC. 46. Section 11760.1 of the Health and Safety Code is amended to read:

11760.1. The Legislature recognizes that any efforts to address the problems related to inappropriate alcohol use *and other drug use* are greatly hindered by:

(a) The stigmatization of persons who have alcohol *and other drug* problems.

(b) Denial by the individual and the community, especially among members of the professional community, sometimes referred to as gatekeepers, regarding the nature and scope of alcohol *and other drug* problems.

(c) Services ~~which that~~, if uncoordinated, often are conflicting, inappropriate, ineffective, duplicative, and wasteful of limited public and private resources.

(d) Actions and attitudes ~~which that~~ encourage consumption of alcoholic beverages in California, which ~~lead~~ *consumption leads* to alcohol problems.

(e) *Actions and attitudes that encourage illicit drug use.*

SEC. 47. Section 11760.2 of the Health and Safety Code is amended to read:

1 11760.2. The Legislature finds that state government has an  
2 affirmative role in alleviating problems related to the  
3 inappropriate use of alcoholic beverages *and other drug use* and  
4 that its major objective is protection of the public health and safety,  
5 particularly where problems related to inappropriate alcohol use  
6 *and other drug use* are likely to cause harm to individuals,  
7 families, and the community.

8 SEC. 48. Section 11760.3 of the Health and Safety Code is  
9 amended to read:

10 11760.3. The Legislature recognizes that state government's  
11 role should be limited for several reasons including, but not  
12 restricted to:

13 (a) State government should intervene in the activities of  
14 individuals only where ~~such~~ *those* individuals' inappropriate use  
15 of alcoholic beverages *and other drug use* is likely to cause  
16 significant harm to other persons, families, or the ~~community; and~~  
17 *community*.

18 (b) The resources available to alleviate problems related to  
19 inappropriate alcohol use *and other drug use* are ~~limited; and~~  
20 *limited*.

21 (c) Significant private resources, economic incentives, and  
22 voluntary actions of individuals and groups in the community are  
23 available and should be utilized and encouraged to preclude the  
24 necessity for governmental involvement.

25 SEC. 49. Section 11760.4 of the Health and Safety Code is  
26 amended to read:

27 11760.4. (a) The Legislature finds that, in order to utilize  
28 effectively the limited state funds available for programs whose  
29 purpose is to alleviate the problems related to inappropriate  
30 alcohol use *and other drug use* and to overcome the barriers to their  
31 solution as described in Section 11760.1, the responsibility and  
32 authority for the encouragement of the planning for, and the  
33 establishment of, county-based programs and statewide alcohol  
34 *and other drug* projects be concentrated primarily in one state  
35 department.

36 (b) The Legislature further recognizes the department's limited  
37 role in state government in trying to alleviate the problems related  
38 to inappropriate alcohol use *and other drug use* because of *both of*  
39 *the following*:

40 (1) The department's limited budget and ~~staff; and~~ *staff*.



(2) The important role played by other state agencies in trying to alleviate the problems related to inappropriate alcohol use *and other drug use*.

SEC. 50. Article 2 (commencing with Section 11760.5) is added to Chapter 1 of Part 2 of Division 10.5 of the Health and Safety Code, to read:

Article 2. Coordination of Services

11760.5. (a) The Legislature recognizes that alcohol and other drug abuse should be viewed and treated as a health problem, as well as a law enforcement problem. The alcohol and other drug abuse problem has significant public impact and must, in addition to law enforcement, be given community, education, social, and health attention if prevention and amelioration is to be achieved. These approaches should be coordinated into a multiagency and multifaceted program for alcohol and other drug abuse control in the counties of the state.

(b) It is the intent of the Legislature that community alcohol and other drug abuse services shall be organized in the counties for alcohol and other drug abusers through locally administered and locally controlled community alcohol and other drug abuse programs. The community alcohol and other drug abuse programs shall operate under the principle that services are designed to be equally accessible to all persons, including persons who because of differences in language, cultural differences in language, cultural traditions, or physical disabilities, confront barriers to knowing about or to using the alcohol and other drug abuse services that are offered.

11760.6. It is the intent of the Legislature that the department encourage the development of high quality, cost-effective services. It is further the intent of the Legislature that poor quality, underutilized, duplicative, or marginal services be disapproved by the county.

SEC. 51. Section 11765 of the Health and Safety Code is repealed.

~~11765. (a) "County board of supervisors" includes county boards of supervisors in the case of counties acting jointly.~~

~~(b) "Agency" means the Health and Welfare Agency.~~

1 ~~(c) “Secretary” means the Secretary of the Health and Welfare~~  
2 ~~Agency.~~

3 ~~(d) “County alcohol program plan” or “program plan” means~~  
4 ~~the county alcohol plan, including a budget, adopted by the board~~  
5 ~~of supervisors pursuant to Chapter 4 (commencing with Section~~  
6 ~~11795).~~

7 ~~(e) “Board” means the State Advisory Board established~~  
8 ~~pursuant to Section 11780.~~

9 ~~(f) “Advisory board” means the county advisory board on~~  
10 ~~alcohol problems established at the sole discretion of the county~~  
11 ~~board of supervisors pursuant to Section 11805. If a county does~~  
12 ~~not establish an advisory board, then any provision of this chapter~~  
13 ~~relative to the activities, duties, and functions of the advisory board~~  
14 ~~shall be inapplicable to that county.~~

15 ~~(g) “Alcohol program administrator” means the county~~  
16 ~~alcohol program administrator designated pursuant to Section~~  
17 ~~11800.~~

18 ~~(h) “State alcohol program” includes all statewide alcohol~~  
19 ~~projects administered by the department and all county alcohol~~  
20 ~~programs funded under this part.~~

21 ~~(i) “Health systems agency” means the health planning agency~~  
22 ~~established pursuant to federal legislation cited as Public Law~~  
23 ~~93-641 of 1974.~~

24 ~~(j) “Alcohol problems” means problems of individuals,~~  
25 ~~families, and the community which are related to inappropriate~~  
26 ~~alcohol use, and includes conditions usually associated with the~~  
27 ~~terms “alcoholism” and “alcohol abuse.”~~

28 ~~(k) “Problem drinker” means anyone who has a problem~~  
29 ~~related to the consumption of alcoholic beverages whether of a~~  
30 ~~periodic or continuing nature, including, but not limited to,~~  
31 ~~persons referred to as “alcoholics,” “alcohol abusers,” and~~  
32 ~~“drinking drivers.” These problems may be evidenced by~~  
33 ~~substantial impairment to the person’s physical, mental, or social~~  
34 ~~well-being which adversely affects his or her abilities to function~~  
35 ~~in the community.~~

36 ~~(l) “Alcohol service” means any service that is specifically and~~  
37 ~~uniquely designed to encourage recovery from problem drinking~~  
38 ~~and to alleviate or preclude alcohol problems in the individual, his~~  
39 ~~or her family, and the community.~~

(m) ~~“Alcohol program” means a collection of alcohol services which are coordinated to achieve the specified objectives of this part.~~

(n) ~~“Driving Under the Influence Program,” “DUI Program,” or “Licensed Program” means an alcohol and other drug service which has been issued a valid license by the department to provide services pursuant to Chapter 9 (commencing with Section 11836).~~

(o) ~~“Clients participants” means recipients of alcohol recovery program services.~~

SEC. 52. Section 11772 of the Health and Safety Code is amended to read:

11772. (a) (1) The department may enter into *agreements and contracts with any person or public or private agencies or make grants necessary or incidental to the performance of its duties and the execution of its powers agency, corporation, or other legal entity*, including contracts ~~with public or private agencies and individuals~~, to pay ~~them~~ *these entities* in advance or reimburse them for *alcohol and other drug services* provided to ~~problem drinkers~~ *alcohol and other drug abusers* and their families and communities. ~~The Legislature finds and declares that many of the activities required of the department which are necessary to carry out its duties under this part are unique to alcohol services and programs. Therefore, the~~

(2) *The department may make grants necessary or incidental to the performance of its duties and the execution of its powers.*

(3) *The Legislature directs the department to contract with any person or public or private agencies or individuals agency, corporation, or other legal entity to perform its duties whenever that expertise is available and appropriate to utilize.*

(b) Notwithstanding any other provision of this part, the department may not contract directly for the provision of alcohol *and other drug services* except as follows:

(1) To provide referral and monitoring services for recipients of Supplemental Security Income in those counties that choose not to provide these services.

(2) For demonstration programs of limited duration and scope, which *programs*, wherever possible, shall be administered through the counties, and which ~~are~~ *shall be* specifically authorized and funded by the Budget Act or other statutes.

1 (3) ~~For pilot projects under Chapter 3 (commencing with~~  
2 ~~Section 11758.10).~~

3 ~~(4) To provide supportive services, such as technical~~  
4 ~~assistance, on a statewide basis, or management and evaluation~~  
5 ~~studies to help assure more effective implementation of this part.~~

6 (c) The Legislature strongly encourages all counties to apply  
7 for funds under this part because of the seriousness of alcohol *and*  
8 *other drug* problems in California and the necessity for affirmative  
9 governmental involvement to help alleviate alcohol *and other*  
10 *drug* problems. However, the Legislature has chosen not to  
11 mandate that counties provide those services and programs. In the  
12 absence of local community control of the services and programs,  
13 the state shall not intervene to operate, directly or through  
14 contract, services and programs ~~which~~ *that* the elected county  
15 board of supervisors has chosen not to provide to its constituents.

16 SEC. 53. Section 11775 of the Health and Safety Code is  
17 amended to read:

18 11775. (a) Each year the department shall apply for federal  
19 block grant funds from the ~~Alcohol, Drug Substance Abuse, and~~  
20 ~~Mental Health Services Administration~~ and may expend those  
21 funds only upon appropriation of, and approval by, the Legislature  
22 pursuant to the Budget Act.

23 (b) Whenever the ~~Alcohol, Drug Substance Abuse, and Mental~~  
24 ~~Health Services Administration~~ conditions its allocation of funds  
25 to the department in a manner ~~which~~ *that* would conflict with any  
26 provisions of this part, the department shall specifically describe  
27 the conflict in its application for federal funds.

28 SEC. 54. Section 11776 of the Health and Safety Code is  
29 amended to read:

30 11776. The department shall confer and cooperate with other  
31 state agencies whose responsibilities include alleviating the  
32 problems related to inappropriate alcohol use *and other drug use*  
33 in order to maximize the state's effectiveness and limited resources  
34 in these efforts. These agencies shall include, but are not limited  
35 to, the Departments of Alcoholic Beverage Control, ~~Mental~~  
36 ~~Health, Motor Vehicles, Social Services, Health Services,~~  
37 ~~Developmental Services, Education, Corrections, the Youth~~  
38 ~~Authority, Rehabilitation, Employment Development, and~~  
39 ~~Industrial Relations~~ *Corrections, Industrial Relations, Motor*  
40 *Vehicles, Rehabilitation, and the Youth Authority, the State*

1 *Departments of Developmental Services, Education, Health*  
2 *Services, Mental Health, and Social Services, the Employment*  
3 *Development Department, and the Office of Traffic Safety.*

4 SEC. 55. Section 11778.9 of the Health and Safety Code is  
5 amended to read:

6 11778.9. It is the intent of the Legislature that the department  
7 cooperate closely with individuals and organizations concerned  
8 with alleviating problems related to inappropriate alcohol use *and*  
9 *other drug use*. The Legislature recognizes the wealth of  
10 experience and commitment that many individuals and  
11 organizations in the community have to offer ~~which~~ *and that* can  
12 enhance the effectiveness of the programs funded by the  
13 department through counties.

14 SEC. 56. Section 11781 of the Health and Safety Code is  
15 amended to read:

16 11781. The Legislature finds and declares all of the following:

17 (a) Federal, state, and local governments have the  
18 responsibility and the expressed intent to provide and ensure the  
19 accessibility of alcohol and *other drug treatment*, recovery,  
20 intervention, and prevention services to all individuals, with  
21 specific emphasis on women, ethnic minorities, and other  
22 disenfranchised segments of the population.

23 (b) The effects of inappropriate alcohol use by ethnic  
24 populations in California, ~~particularly by Hispanics and Blacks, is~~  
25 ~~are increasing at an alarming rate~~. Concurrently, the use of  
26 available ~~alcohol~~ recovery services by these populations is not in  
27 keeping with the increase of ~~alcohol~~ problems experienced by  
28 these populations.

29 (c) ~~Seventy-two thousand births in California during 1988~~  
30 ~~involved infants prenatally exposed to drug substances, including~~  
31 ~~alcohol~~. There is a great shortage of treatment programs available  
32 to pregnant women and their offspring. Blacks have an infant  
33 mortality rate twice that of the general population, and substance  
34 abuse only exacerbates the problem.

35 (d) Barriers to accessing the services available specifically  
36 include, but are not limited to, the following:

37 (1) Lack of educational materials appropriate to the  
38 community.

39 (2) Geographic isolation or remoteness.

40 (3) Institutional and cultural barriers.

1 (4) Language differences.

2 (5) Lack of representation by affected groups employed by  
3 public and private service providers and policymakers.

4 (6) Insufficient research information regarding problems and  
5 appropriate strategies to resolve the problems of access to services.

6 (e) While current law requires the department to develop and  
7 implement a statewide plan to alleviate problems related to  
8 inappropriate alcohol *use* and *other* drug use and to overcome the  
9 barriers to their solution, these attempts have been ineffective due  
10 to the magnitude of the task.

11 SEC. 57. Section 11781.5 of the Health and Safety Code is  
12 amended to read:

13 11781.5. The department shall provide direction to counties  
14 and to public and private organizations serving the target  
15 populations to increase access to alcohol and *other* drug abuse  
16 prevention and recovery programs ~~by doing~~ in all of the following  
17 ways:

18 (a) Assume responsibility to increase the knowledge within  
19 state agencies and the Legislature of problems affecting the target  
20 populations.

21 (b) Determine, compile, and disseminate information and  
22 resource needs of the counties and constituent service providers to  
23 better serve the target populations.

24 (c) ~~Assure~~ *Ensure* that established state and county standards,  
25 policies, and procedures are not discriminatory and do not  
26 contribute to service accessibility barriers.

27 (d) Promote an understanding of ethnic and gender differences,  
28 approaches to problems, and strategies for increasing voluntary  
29 access to services by the target populations.

30 (e) Affirmatively coordinate with the counties for the provision  
31 of services to the target populations and to assure accountability  
32 that necessary services are actually provided.

33 SEC. 58. Section 11782 of the Health and Safety Code is  
34 repealed.

35 ~~11782. The department shall contract for a statewide~~  
36 ~~independent evaluation of both the current alcohol and drug~~  
37 ~~service delivery systems and methods to increase access to alcohol~~  
38 ~~and drug recovery programs for disenfranchised populations.~~

39 ~~(a) The target populations shall include, but not be limited to:~~  
40 ~~(1) Women.~~

~~(2) Ethnic minorities.~~

~~(3) Adolescents.~~

~~(4) The elderly.~~

~~(5) The disabled.~~

~~(6) The homeless.~~

~~(7) Any other group determined by the department to be underserved.~~

~~(b) Prior to commencing the evaluation, the independent contractor shall consult with representatives of affected state and local agencies and community groups, including, but not limited to:~~

~~(1) State agencies responsible for providing services to the target populations.~~

~~(2) County alcohol and drug program administrators.~~

~~(3) Each of the designated target population constituency groups.~~

~~(4) Community-based organizations which provide alcohol abuse prevention and recovery services, drug abuse prevention and treatment services, or both to one or more of the target population groups.~~

~~(c) The independent evaluation shall include, but not be limited to, the following:~~

~~(1) Review and evaluation of both the county alcohol plan and the county drug plan.~~

~~(2) Review and evaluation of legislative mandates to ascertain accessibility to alcohol and drug abuse prevention and recovery programs by the target populations and to define the barriers to such access.~~

~~(3) Comparative analyses of county alcohol plans and county drug plans with the actual services provided by each county studied.~~

~~(A) The analyses shall include specific descriptions of services provided to each of the target populations, as well as a list of alternative services available to the target populations in each county studied.~~

~~(B) In conducting the analyses, community-based organizations providing services to the target populations most heavily underserved shall be interviewed in general on the quality of county support and specifically on barriers to access of services.~~



~~(C) At least four counties shall be evaluated, including Los Angeles County, a primarily urban county other than Los Angeles County, a primarily suburban county, and a primarily rural county.~~

~~(4) Recommendations to the department for any administrative policy, funding, and regulatory changes necessary to enhance access to programs by the target populations.~~

~~(5) Recommendations to the Legislature for funding and statutory changes necessary to enhance access to programs by the target populations.~~

~~(d) On or before September 30, 1991, the department shall issue a final report to the Legislature on the findings of the independent evaluation.~~

~~(e) Within six months after issuing the final report, the department shall hold a series of public hearings on the findings and recommendations provided by the independent evaluation and contained in the final report.~~

SEC. 59. Section 11785 of the Health and Safety Code is amended to read:

11785. The Legislature recognizes the importance of encouraging research to study the biological aspects of ~~alcoholism~~, and the social factors contributing to, problems related to the inappropriate use of alcoholic beverages *and other drug use*.

The Legislature further recognizes the value of interpreting and applying research results through changes in public policy.

SEC. 60. Section 11786 of the Health and Safety Code is amended to read:

11786. The department may enter into contracts for special studies and research to develop the information needed for formulating policies that will reduce the incidence of alcohol *and other drug use* problems ~~and alcoholism~~ through promising and innovative approaches in prevention, intervention, and treatment.

SEC. 61. Chapter 3.5 (commencing with Section 11788) is added to Part 2 of Division 10.5 of the Health and Safety Code, to read:

#### CHAPTER 3.5. RESOURCES AND INFORMATION

11788. The department, with the approval of the Secretary of the Health and Human Services Agency, may contract with any

1 public or private agency for the performance of any of the  
2 functions vested in the department by this chapter. Any department  
3 of the state is authorized to enter into such a contract.

4 11789. (a) The department shall be a central information  
5 resource on alcohol and other drug abuse prevention and treatment  
6 programs and on research projects with respect to alcohol and  
7 other drug abuse.

8 (b) The department shall collect, and act as an information  
9 exchange for, information on research and service projects  
10 completed or in progress relating to alcohol and other drug abuse,  
11 provide, to any person, institution, or public agency proposing any  
12 research or service project on that subject, information with  
13 respect to the areas in which research is needed, and evaluate  
14 programs of research, treatment, and education with respect to  
15 alcohol and other drug abuse.

16 (c) No state agency shall conduct any research or service  
17 project on alcohol and other drug abuse until it has provided the  
18 department with a description of its proposed project and until the  
19 department has responded with a written description of how the  
20 research or service project relates with other completed,  
21 concurrently operating, or pending research or service projects. If  
22 the department fails to provide the agency with the written  
23 description within 60 days from the date of receipt of the proposed  
24 project, the state agency may proceed to conduct the research or  
25 service project as described in the agency's proposal.

26 11790. The department, at the request of the county alcohol  
27 and drug program administrator, may assist local community  
28 organizations in initiating effective programs to prevent and treat  
29 alcohol and other drug abuse. The department may charge a fee for  
30 this assistance.

31 11791. The department may develop and implement a mass  
32 media alcohol and other drug education program involving  
33 newspapers, radio, and television in order to provide community  
34 education, develop public awareness, and motivate community  
35 action in alcohol and other drug abuse prevention, treatment, and  
36 rehabilitation.

37 11792. (a) The department, in consultation with the State  
38 Department of Health Services, shall use existing materials to  
39 distribute a brochure on the care and treatment of infants under the  
40 age of six months who have been exposed to alcohol and other

1 drugs. The brochure shall include, but not be limited to, the  
2 following:

3 (1) The signs and symptoms of an infant who has been exposed  
4 to alcohol and other drugs.

5 (2) The health problems of infants who have been exposed to  
6 alcohol and other drugs.

7 (3) The special feeding needs of infants who have been exposed  
8 to alcohol and other drugs.

9 (4) The special care needs of infants who have been exposed to  
10 alcohol and other drugs, such as not overstimulating those infants  
11 who are addicted to cocaine.

12 (b) The brochure developed pursuant to subdivision (a) may be  
13 distributed through hospitals, public health nurses, child  
14 protective services, alcohol and other drug facilities, educational  
15 networks, foster parent groups, medical professional offices,  
16 Medi-Cal programs, and county interagency task force groups, as  
17 well as any other agency that the department selects.

18 11793. The department may develop an objective program  
19 evaluation device or methodology and evaluate state-supported  
20 alcohol and other drug abuse prevention and treatment programs.

21 11794. The department shall, in consultation with the State  
22 Department of Education, screen and evaluate alcohol and other  
23 drug abuse books, pamphlets, literature, movies, and other  
24 audiovisual aids and may prepare and disseminate lists of  
25 recommended materials to schools, public libraries, alcohol and  
26 other drug information centers, and other public and private  
27 agencies. The department may charge a fee, not exceeding actual  
28 costs, for providing the materials.

29 11794.1. It is the intent of the Legislature that the department,  
30 in collaboration with the State Department of Health Services and  
31 stakeholders in the medical and treatment provider communities,  
32 work to identify methods for better informing medical doctors of  
33 the benefits of diagnosing and treating substance abuse among  
34 their patient population, including, but not limited to, improved  
35 outreach efforts at the state and local levels and the use of  
36 information dissemination strategies, where appropriate.

37 SEC. 62. Section 11795 of the Health and Safety Code is  
38 amended to read:

39 11795. (a) The board of supervisors of each county may  
40 apply to the department for funds for the purpose of alleviating

1 problems in its county related to the inappropriate use of alcoholic  
2 beverages alcohol abuse and other drug use. The provisions of this  
3 ~~This part shall be applicable~~ applies only to counties electing to  
4 apply for receiving state or federal alcohol funds allocated by the  
5 department under this part.

6 (b) *The department shall coordinate state and local alcohol*  
7 *and other drug abuse prevention, care, treatment, and*  
8 *rehabilitation programs. It is the intent of the Legislature that the*  
9 *department and the counties maintain a cooperative partnership*  
10 *to assure effective implementation of this chapter.*

11 (c) The Legislature grants responsibility to the county to  
12 administer and coordinate all county alcohol *and other drug*  
13 programs funded under this part. County alcohol *and other drug*  
14 programs shall ~~be held accountable~~ *account* to the board of  
15 supervisors and to the state for their effective implementation. The  
16 ~~Legislature further grants the responsibility to the county to~~ *shall*  
17 establish its own priorities for alcohol *and other drug* programs  
18 funded under the provisions of this part. However, each county  
19 shall allocate and expend no less than the federally required  
20 percentage of federal funds for prevention and early intervention  
21 activities as defined in ~~this part~~ *Section 11811.*

22 SEC. 63. Section 11796 of the Health and Safety Code is  
23 amended to read:

24 11796. (a) (1) Two or more counties, *each with a population*  
25 *of under 200,000*, may jointly establish county alcohol *and other*  
26 *drug* programs pursuant to Article 1 (commencing with Section  
27 6500) of Chapter 5 of Division 7 of Title 1 of the Government ~~Code~~  
28 ~~and, subject~~ *Code.*

29 (2) *Subject* to the department's approval, any county may, by  
30 contract, furnish alcohol *and other drug* services to another  
31 county.

32 (b) Unless otherwise expressly provided for or required by the  
33 context, ~~the provisions of~~ this part relating to county alcohol *and*  
34 *other drug* programs shall apply to alcohol *and other drug*  
35 programs operated jointly by two or more counties.

36 SEC. 64. Section 11796.1 of the Health and Safety Code is  
37 amended to read:

38 11796.1. Except as provided in subdivision (b) of Section  
39 11812, nothing in this part shall prevent any city or combination  
40 of cities from financing and administering directly an alcohol *or*

1 *other drug* program or providing ~~an alcohol~~ service by contracting  
2 with the county to provide and be reimbursed for ~~alcohol~~ services  
3 provided pursuant to the county alcohol *and other drug* program  
4 under Article 4 (commencing with Section 11810). In addition,  
5 where appropriate, any county may contract with a city, or  
6 combination of cities, to administer contracts with privately  
7 operated agencies to alleviate problems related to inappropriate  
8 alcohol use *and other drug use*.

9 SEC. 65. Section 11797 of the Health and Safety Code is  
10 amended to read:

11 11797. (a) Funds allocated to the county pursuant to this part  
12 shall be used exclusively for county alcohol *and other drug*  
13 services as identified in the ~~county alcohol program plan~~ *executed*  
14 *negotiated net amount contract, Drug Medi-Cal contract, and the*  
15 *approved county plan, whichever is applicable*, and shall be  
16 separately identified and accounted for.

17 (b) *Of the funds allocated to each county in accordance with*  
18 *Sections 11817.1, 11817.3, 11818, and 11840, the department*  
19 *shall allocate to each county the amount required by that county*  
20 *to carry out its local alcohol and other drug abuse program in*  
21 *accordance with the executed negotiated net amount contract or*  
22 *Drug Medi-Cal contract, as described in Section 11758.20, and*  
23 *the approved county plan, whichever is applicable*.

24 SEC. 66. Section 11798 of the Health and Safety Code is  
25 amended to read:

26 11798. Counties that ~~elect to apply for~~ *receive* funds shall  
27 prepare and submit a county ~~alcohol program plan which shall~~  
28 ~~include~~, *negotiated net amount contract, and Drug Medi-Cal*  
29 *contract, whichever is applicable, that shall include* a budget of all  
30 funds allocated to ~~them~~ *the county* by the department pursuant to  
31 this part, and shall report utilization of those funds in an annual  
32 ~~expenditure cost~~ report pursuant to ~~Article 4 (commencing with~~  
33 ~~Section 11810)~~ *subdivision (q) of Section 11755*.

34 SEC. 67. Section 11798.1 of the Health and Safety Code is  
35 amended to read:

36 11798.1. (a) ~~Notwithstanding any other provision of this~~  
37 ~~division, the director shall establish a demonstration program with~~  
38 ~~Fresno, San Francisco, and San Mateo Counties, whereby Fresno,~~  
39 ~~San Francisco, and San Mateo Counties shall each develop and~~  
40 ~~operate its alcohol and drug abuse programs that would otherwise~~

~~be required under this division, as one coordinated program in each county. However, the demonstration program shall only operate in any of these counties if the board of supervisors of the respective county adopts a resolution consenting to the establishment of the demonstration program. Notwithstanding any other provision of this division, the director shall permit Marin, Santa Clara, San Diego, San Luis Obispo, Solano, and Ventura Counties to participate in the demonstration program commencing on the effective date of amendments to this section pursuant to Assembly Bill 2591, of the 1991-92 Regular Session.~~

(b) ~~In establishing this demonstration program, it is the intent of the Legislature that:~~

~~(1) In developing and operating this demonstration program, counties~~ *Counties shall each develop and operate their alcohol and other drug abuse programs that would otherwise be required under this division, as one coordinated program in each county. Counties may combine their alcohol and drug advisory boards, their alcohol and other drug plan, their alcohol and drug budget budgets, and submission deadlines for alcohol and other drug budgets and cost reports and their its administration at both the county and provider-level levels.*

~~(2) The demonstration program shall reflect current licensing and program standards, except as defined in paragraph (3).~~

~~(3) In circumstances where any of the participating counties wish to combine treatment programs for persons with both alcohol and drug problems, the county shall first submit its plan and program standards for the treatment programs to the department for approval.~~

~~(4) The demonstration programs shall assess or categorize a program participant at the time of admission and discharge as having problems primarily with abuse of either alcohol or of drugs for purposes of federal reimbursement as required by federal law and report information to the department in a form consistent with existing data collection systems.~~

~~(5) All participating counties shall report to the director no later than October 1 of each year, that information which the director determines is reasonably necessary to determine the utility of these demonstration programs compared to operations in those counties prior to implementation of this section. This information shall include, but not be limited to, each of the following:~~

1 ~~(A) The extent of savings in administrative costs as a result of~~  
2 ~~consolidation.~~

3 ~~(B) The extent of any shift of resources from administrative~~  
4 ~~support to service delivery.~~

5 ~~(C) The impact of this demonstration program on service~~  
6 ~~delivery and program effectiveness, including social model~~  
7 ~~programs, and the achievement of outcomes identified in the~~  
8 ~~county plans.~~

9 ~~(D) The impact of this demonstration on the program~~  
10 ~~availability of federal funds.~~

11 ~~(E) The extent to which individuals with primary alcohol~~  
12 ~~problems decline services because of this demonstration program.~~

13 ~~(F) Ability of the demonstration program to incorporate~~  
14 ~~effective prevention efforts.~~

15 ~~(G) Survey of participant attitudes regarding satisfaction with~~  
16 ~~services to assure that the unique problems of drug abusers and~~  
17 ~~persons inappropriately using alcohol are adequately addressed.~~

18 ~~(H) Recovery rates compared with similar counties.~~

19 ~~(I) The impact of this demonstration program on unit costs as~~  
20 ~~compared to previous service costs for alcohol and drug services.~~

21 ~~(J) The extent of training provided for alcohol and drug~~  
22 ~~recovery program staff.~~

23 No later than January 1, 1994, the director shall report to the  
24 Legislature regarding the impact of consolidation. The report shall  
25 include a program evaluation based on the above information.

26 ~~(c) Notwithstanding any other requirement of this division,~~  
27 ~~commencing July 1, 1993, the pilot program pursuant to~~  
28 ~~subdivisions (a) and (b) of this section shall terminate and~~  
29 ~~thereafter any~~

30 ~~(b)~~ A county may, by resolution of its board of supervisors,  
31 develop and operate alcohol and *other* drug abuse programs as one  
32 coordinated system. In establishing coordinated systems with  
33 combined alcohol and *other* drug services counties shall do all of  
34 the following:

35 (1) Submit a ~~combined alcohol and drug~~ county plan,  
36 including, but not limited to, a budget of all funds allocated to the  
37 county by the department.

38 (2) Report all of the following to the department:



(A) Utilization of all funds allocated by the department to the county in a combined annual expenditure report pursuant to state and federal requirements.

(B) All information necessary for the department to administer this section, including, but not limited to, information needed to meet federal reporting requirements. This information shall be reported on a form developed by the department in consultation with the County Alcohol and Drug Administrators Association of California.

(3) Combine drug and alcohol administrations in performance of alcohol and *other* drug program administrative duties pursuant to ~~Sections~~ *Section* 11801 and 11963.

~~(4) In circumstances where any of the participating counties wish to combine treatment programs for persons with both alcohol and drug problems, the county shall first submit its plan and program standards for the treatment programs to the department for approval.~~

~~(5)~~ Require combined programs, for planning and reimbursement purposes, to assess or categorize program participants at the time of admission and discharge with regard to whether their primary treatment needs are related to abuse of alcohol or of *other* drugs.

~~(6)~~  
(5) Ensure that combined programs comply with statewide program standards developed pursuant to regulations adopted by the department in consultation with the alcohol and drug administrators.

*(c) A county operating a coordinated system under this section shall assess or categorize a program participant at the time of admission and discharge as having problems primarily with abuse of either alcohol or of other drugs for purposes of federal reimbursement as required by federal law and report information to the department in a form consistent with existing data collection systems.*

SEC. 68. Section 11800 of the Health and Safety Code is amended to read:

11800. (a) The board of supervisors shall designate a health-related county agency or department that shall administer the county alcohol *and other* drug program. ~~Except as otherwise provided in Section 11798.1, The board of supervisors or the head~~

1 of the designated health-related agency or department shall  
2 appoint an alcohol *and drug* program administrator, who shall  
3 report to the head of the agency or department through  
4 administrative channels designated by the board of supervisors.  
5 The county alcohol *and other drug* program shall be placed at the  
6 same administrative level and have responsibility and authority  
7 similar to other major health programs in the county.

8 (b) In accordance with regulations adopted by the department,  
9 the alcohol *and drug* program administrator shall be qualified by  
10 his or her ability, training, and experience to administer or  
11 coordinate and monitor the county alcohol *and other drug*  
12 program.

13 SEC. 69. Section 11801 of the Health and Safety Code is  
14 amended to read:

15 11801. The alcohol *and drug* program administrator, acting  
16 through administrative channels designated pursuant to Section  
17 11795, shall do all of the following:

18 (a) Coordinate and be responsible for the planning process,  
19 including preparation of the county ~~alcohol program plan and~~  
20 ~~budget, required pursuant to Article 4 (commencing with Section~~  
21 ~~11810)~~ *executing the negotiated net amount contract, and Drug*  
22 *Medi-Cal contract, whichever is applicable.*

23 (b) (1) Recommend to the board of supervisors the provision  
24 of services, establishment of facilities, contracting for services or  
25 facilities, and other matters necessary or desirable in  
26 accomplishing the purposes of this part ~~pursuant to the planning~~  
27 ~~process described in Article 4 (commencing with Section 11810).~~

28 (2) *Exercise general supervision over the alcohol and other*  
29 *drug program services provided under the county plan, negotiated*  
30 *net amount contract, and Drug Medi-Cal contract, whichever is*  
31 *applicable.*

32 (c) Assure compliance with applicable laws relating to  
33 discrimination against any person because of race, creed, age,  
34 religion, sex, sexual preference, or disabling conditions.

35 (d) (1) Provide reports and information periodically to the  
36 advisory board regarding the status of alcohol *and other drug*  
37 programs in the county and keep the advisory board informed  
38 regarding changes in relevant state, federal, and local laws or  
39 regulations or improvements in program design and services that  
40 may affect the county alcohol *and other drug* program.

(2) *Submit an annual report to the board of supervisors reporting all activities of the alcohol and other drug program, including a financial accounting of expenditures and a forecast of anticipated needs for the upcoming year.*

(e) Be directly responsible for *the* administration of all alcohol *or other drug* program funds allocated to the county under this part ~~and for~~, administration of county operated programs, and ~~for~~ coordination and monitoring of programs that have contracts with the county to provide alcohol *and other drug* services.

(f) Encourage the appropriate utilization of all other public and private ~~alcoholism~~ *alcohol and other drug* programs and services in the county in coordination with the ~~alcohol~~ programs funded pursuant to this part.

(g) Coordinate the activities of the county alcohol *and other drug* program with appropriate health planning agencies pursuant to Chapter 5 (commencing with Section 11820).

(h) Assure the evaluation of alcohol *and other drug* programs, including the collection of appropriate and necessary information, pursuant to Chapter 6 (commencing with Section 11825).

(i) Participate in the process to assure program quality in compliance with appropriate standards pursuant to Chapter 7 (commencing with Section 11830).

(j) Participate in the regulations process pursuant to Chapter 8 (commencing with Section 11835).

(k) Participate and represent the county in meetings of ~~designated alcohol program administrators~~ *the County Alcohol and Drug Program Administrators Association of California* pursuant to Section 11811.5 *for the purposes of representing the counties in their relationship with the state with respect to policies, standards, and administration for alcohol and other drug abuse services.*

(l) Provide for the orientation of the members of the advisory board, including, but not limited to, the provision of information and materials ~~in~~ *on* alcohol *and other drug* problems and programs, planning, procedures, and site-visits to local ~~alcohol~~ programs.

(m) Perform any other acts ~~which~~ *that* may be necessary, desirable, or proper to carry out the purposes of this part.

SEC. 70. Section 11802 of the Health and Safety Code is amended to read:

1 11802. (a) Money deposited in the county alcohol abuse  
2 education and prevention fund pursuant to ~~subdivision (b) of~~  
3 Section 1463.25 of the Penal Code shall be jointly administered by  
4 the administrator of the county's alcohol *and other drug* program  
5 and the county office of education subject to the approval of the  
6 board of supervisors and the county office of education. A  
7 minimum of 33 percent of the fund shall be allocated to primary  
8 prevention programs in the schools and community. Primary  
9 prevention programs developed and implemented under this  
10 section shall emphasize cooperation in planning and program  
11 implementation *of alcohol abuse education and prevention* among  
12 schools and community alcohol *and other drug* abuse ~~agencies and~~  
13 ~~coordination~~ *agencies*. *Coordination* shall be demonstrated  
14 through an interagency agreement among county offices of  
15 education, school districts, and the county alcohol *and drug*  
16 program administrator. ~~The remaining money shall be allocated in~~  
17 ~~accordance with the planning process established pursuant to~~  
18 ~~Sections 11810.5 and 11810.6.~~

19 (b) Programs funded, planned, and implemented under this  
20 section shall emphasize a joint school-community primary  
21 education and prevention program, ~~which~~ *that* may include:

22 (1) School and classroom-oriented programs, including, but  
23 not limited to, programs designed to encourage sound  
24 decisionmaking, an awareness of values, an awareness of alcohol  
25 and its effects, enhanced self-esteem, social and practical skills  
26 that will assist students toward maturity, enhanced or improved  
27 school climate and relationships among all school personnel and  
28 students, and furtherance of cooperative efforts of school- and  
29 community-based personnel.

30 (2) School- or community-based nonclassroom alternative  
31 programs, or both, including, but not limited to, positive peer  
32 group programs, programs involving youth and adults in  
33 constructive activities designed as alternatives to alcohol use, and  
34 programs for special target groups, such as women, ethnic  
35 minorities, and other high-risk, high-need populations.

36 (3) Family-oriented programs, including, but not limited to,  
37 programs aimed at improving family relationships and involving  
38 parents constructively in the education and nurturing of their  
39 children, as well as in specific activities aimed at preventing  
40 alcohol abuse.

(c) The money deposited under subdivision (a) shall supplement and not supplant any local funds made available to support the county's alcohol abuse education and prevention efforts.

(d) If the county has a drug abuse primary prevention program, it may choose to combine or coordinate its drug and alcohol abuse education and prevention programs.

SEC. 71. Section 11805 of the Health and Safety Code is amended to read:

11805. Each county may have an advisory board on alcohol *and other drug* problems appointed by the board of supervisors. The advisory board may be independent, be under the jurisdiction of another health-related or human services advisory board established pursuant to any provision of state law, or have the same membership as that other advisory board.

SEC. 72. The heading of Article 4 (commencing with Section 11810) of Chapter 4 of Part 2 of Division 10.5 of the Health and Safety Code is amended to read:

Article 4. County Alcohol *and Other Drug* Program ~~Plan~~

SEC. 73. Section 11810 of the Health and Safety Code is amended to read:

11810. It is the intent of the Legislature to provide maximum flexibility in the use of federal and state alcohol *and other drug* program funds. County government is therefore given broad authority in determining the methods for encouragement of citizen participation, the scope of problem analysis, and the methods of planning for alcohol *and other drug* program services.

SEC. 74. Section 11811 of the Health and Safety Code is amended to read:

11811. (a) Counties shall have broad discretion in the choice of services they utilize to alleviate the alcohol *and other drug* problems of specific population groups and the community ~~identified pursuant to the planning process described in Section 11810.5.~~ Those services shall include, but need not be limited to, services to ~~problem drinkers~~ *alcohol and other drug abusers* and their families; and activities frequently referred to as prevention and early intervention.

~~“Prevention”~~

(b) For purposes of this article, the following definitions apply:

(1) “Prevention” means activities and processes designed to reduce or minimize the incidence *and consequences* of new alcohol *and other drug* problems ~~and negative consequences of drinking~~. “Early

(2) “Early intervention” means activities designed to provide only identification and appropriate service for alcohol *and other drug* problems prior to the appearance of major problems.

SEC. 75. Section 11811.1 of the Health and Safety Code is amended to read:

11811.1. (a) The major purpose of prevention and early intervention activities includes, but is not limited to, all of the following:

~~(a)–~~

(1) To facilitate positive change in community and individual understanding, values, attitudes, environmental factors, and behavior concerning alcohol and its inappropriate use *and other drug use*.

~~(b)–~~

(2) To reduce the likelihood of the inappropriate use of alcohol *and other drugs* by developing and implementing public policies designed to reduce or limit alcohol *and other drug* consumption.

~~(c)–~~

(3) To lessen the stigmatization of persons who seek help for problems related to inappropriate alcohol use *and other drug use*.

~~(d)–~~

(4) To provide information so that the public may make informed personal and public policy decisions regarding the inappropriate use and nonuse of alcoholic beverages *and other drugs*.

~~(e)–~~

(5) To enlighten the “helping professions” to recognize persons with alcohol *and other drug* problems and to offer them appropriate services.

~~(f)–~~

(6) To encourage persons to seek early help for their alcohol *or other drug* problems.

~~The~~

(b) The Legislature recognizes that the effective provision of ~~these~~ the activities *specified in subdivision (a)* will result in an

increased demand upon, and utilization of, existing services to ~~problem-drinkers alcohol and other drug abusers~~ and their families. However, the Legislature believes that provision of effective prevention and early intervention activities over the next decade will result in saving taxpayers funds ~~which that~~ might otherwise have to be expended for higher health and safety costs.

SEC. 76. Section 11811.3 of the Health and Safety Code is amended to read:

11811.3. In addition to the services described in Section 11811, a county may provide other services or programs pursuant to ~~the provisions of~~ this section, including, but not limited to, the following:

(a) (1) Occupational programs for county employees designed to help recognize employees with alcohol *and other drug* problems ~~which that~~ affect their job performance and to encourage ~~their seeking these employees to seek~~ services to alleviate ~~such those~~ problems.

~~It~~

(2) ~~It~~ is the intent of the Legislature to encourage every county to institute ~~such a~~ program *described in paragraph (1)* for its own employees in order to set an example for the community regarding local government's attitude toward alcohol *and other drug* problems.

(b) ~~Vocational rehabilitation services for which a county may contract directly with the State Department of Rehabilitation.~~

(1) Counties ~~which do not choose to contract with the State Department of Rehabilitation~~ may use the state share of funds allocated to them by the ~~State Department of Alcohol and Drug Programs~~ department for any other services authorized in Section 11811 or this section.

~~It~~

(2) ~~It~~ is the intent of the Legislature that counties make maximum utilization of vocational rehabilitation services, where reasonable and appropriate to do so, ~~pursuant to a contract with the State Department of Rehabilitation. However, a~~ A county, pursuant to a resolution by the board of supervisors, may utilize ~~the state share of such funds for other authorized services pursuant to Section 11811 if the State Department of Rehabilitation is not responsive to the needs of the county or the county has established,~~



1 ~~through the planning process, higher priorities for the use of such~~  
2 ~~funds.~~

3 SEC. 77. Section 11811.5 of the Health and Safety Code is  
4 amended to read:

5 11811.5. A county may also utilize funds for the following:

6 (a) Planning, program development, and administration by the  
7 county. The department shall establish uniform definitions of the  
8 elements of county alcohol *and other drug* program administration  
9 and shall set the minimum and maximum levels of administrative  
10 services, taking into account the total funds expended pursuant to  
11 the county ~~alcohol program~~ plan, *negotiated net amount contract,*  
12 *and Drug Medi-Cal contract, whichever is applicable.*

13 (b) In conducting planning, evaluation, and research activities  
14 to develop and implement the county alcohol *and other drug*  
15 program, counties may contract with appropriate public or private  
16 agencies.

17 (c) Actual and necessary expenses incurred by the alcohol *and*  
18 *drug* program administrator relating to attendance at not more than  
19 four meetings each year of ~~such~~ *the* administrators and reasonable  
20 dues for any related activities and meetings. Each administrator of  
21 a county ~~which~~ *that* applies for funds under this part shall attend  
22 each ~~such~~ quarterly meeting, unless a waiver is provided for by the  
23 department. *Payment shall be made for actual and necessary*  
24 *expenses of members incurred incident to the performance of their*  
25 *official duties and may include travel, lodging, and meals while on*  
26 *official business.*

27 SEC. 78. Section 11811.6 of the Health and Safety Code is  
28 amended to read:

29 11811.6. (a) The department shall consult with alcohol *and*  
30 *drug* program administrators in establishing standards pursuant to  
31 Chapter 7 (commencing with Section 11830) ~~of this part~~ and  
32 regulations pursuant to Chapter 8 (commencing with Section  
33 11835) ~~of this part~~, shall consult with alcohol *and drug* program  
34 administrators on matters of major policy and administration, and  
35 may consult with alcohol *and drug* program administrators on  
36 other matters affecting persons with alcohol *and other drug*  
37 problems. The alcohol *and drug* program administrators may  
38 organize, adopt bylaws, and annually elect officers. The  
39 administrators shall consist of all legally appointed alcohol *and*

1 *drug* administrators in the state as designated pursuant to  
2 subdivision (a) of Section 11800.

3 (b) Actual and necessary expenses for attendance at special  
4 meetings of the committees of the alcohol *and drug* program  
5 administrators called by the director shall be legally charged  
6 against any funds available for the administration of this section.

7 SEC. 79. Section 11811.7 of the Health and Safety Code is  
8 amended to read:

9 11811.7. Services financed under this part shall:

10 (a) Be provided on a voluntary basis only, except as provided  
11 in Article 1.5 (commencing with Section 5170) of Chapter 2 of  
12 Part 1 of Division 5 of the Welfare and Institutions Code.

13 (b) Encourage persons utilizing services, and members of their  
14 family, to participate in community self-help groups providing  
15 ongoing support to ~~problem-drinkers~~ *alcohol and other drug*  
16 *abusers* and their family members.

17 (c) Encourage persons suffering from alcoholism *and other*  
18 *drug problems* to abstain from the ~~consumption of alcoholic~~  
19 ~~beverages~~ *use of alcohol and illicit drugs*.

20 SEC. 80. Section 11812 of the Health and Safety Code is  
21 amended to read:

22 11812. The following conditions apply to county  
23 expenditures of state funds pursuant to this part:

24 (a) Where the services specified in the approved ~~program~~  
25 *county plan* are provided pursuant to other general health or social  
26 programs, only that portion of the services dealing with alcohol  
27 *and other drug* problems may be financed under this part.

28 (b) (1) Each county shall utilize available privately operated  
29 alcohol *and other drug* programs and services in the county prior  
30 to utilizing new county-operated programs and services, or  
31 city-operated programs and services pursuant to Section 11796.1,  
32 when the available privately operated programs and services are  
33 as favorable in quality and cost as are those operated by the county  
34 or city. When ~~the~~ *these* privately operated programs and services  
35 are not available, the county shall make a reasonable effort to  
36 encourage the development of ~~such~~ privately operated programs  
37 and services prior to developing county-operated or city-operated  
38 programs and services. ~~The~~

39 (2) *The* county alcohol *and drug* program administrator shall  
40 demonstrate to the board of supervisors, and to the department,

1 prior to development of any new program or service, that  
2 reasonable efforts have been made to comply with ~~this section~~  
3 *paragraph (1)*. All ~~such~~ available local public or private programs  
4 and services, ~~where as described in paragraph (1), that are~~  
5 appropriate, shall be utilized prior to using services provided by  
6 hospitals.

7 (c) All personal information and records obtained by the  
8 county, any program ~~which~~ *that* has a contract with the county, or  
9 the department pursuant to this section ~~and Section 11783~~ are  
10 confidential and may be disclosed only in those instances  
11 designated in Section 5328 of the Welfare and Institutions Code.

12 (1) Any person may bring an action against an individual who  
13 has willingly and knowingly released confidential information or  
14 records concerning ~~him or her~~ *that person* in violation of this  
15 section, for the greater of the following amounts:

16 (A) Five hundred dollars (\$500).

17 (B) Three times the amount of actual damages, if any, sustained  
18 by the plaintiff.

19 (2) (A) Any person may, in accordance with Chapter 3  
20 (commencing with Section 525) of Title 7 of Part 2 of the Code of  
21 Civil Procedure, bring an action to enjoin the release of  
22 confidential information or records in violation of this chapter, and  
23 may in the same action seek damages as provided in this section.

24 ~~It~~

25 (B) *It* is not a prerequisite to an action under this section that the  
26 plaintiff suffer or be threatened with actual damages.

27 (d) The department may require that each county and any  
28 public or private provider of alcohol *and other drug* services ~~which~~  
29 *that* receives any state funds under this part provide any  
30 information requested by the department relating to any  
31 application for or receipt of federal or other nonstate funds,  
32 including fees, donations, grants, and other revenues, for alcohol  
33 *and other drug abuse* services provided by these agencies.

34 SEC. 81. Section 11812.6 of the Health and Safety Code is  
35 amended to read:

36 11812.6. (a) In addition to any other services authorized  
37 under this chapter, the department shall urge the county, in the  
38 county ~~alcohol program~~ plan, to develop within existing resources  
39 specific policies and procedures, ~~no later than January 1, 1988,~~ to  
40 address the unique treatment problems presented by persons who

are both mentally disordered and chemically dependent. If contained in the county ~~alcohol program~~ plan, priority shall be given to developing policies and procedures that relate to the diagnosis and treatment of homeless persons who are mentally disordered and chemically dependent.

~~The~~

(b) The director shall consult with the Director of Mental Health in developing guidelines for county mental health and alcohol and drug treatment programs in order to comply with this section.

SEC. 82. Section 11813 of the Health and Safety Code is amended to read:

11813. Nothing in this part shall prohibit a county from appropriating funds for alcohol *and other drug* programs and services in addition to the funds allocated by the department.

SEC. 83. Section 11814 of the Health and Safety Code is amended to read:

11814. (a) *The department shall issue allocations to counties for alcohol and other drug programs.*

(b) *In issuing allocations to counties, it is the intent of the Legislature that counties shall allocate all funds received pursuant to state and federal laws and regulations.*

(c) The department shall estimate an allocation of state and federal funds available for each county to implement the approved ~~program~~ county plan, *executed negotiated net amount contract, and Drug Medi-Cal contract, whichever is applicable.* In making allocations, the department shall base its allocations on the population of each county. However, the department shall assure that each small population county receives a minimum amount of funds to provide adequate alcohol *and other drug* services. The department may take into account other factors in making the allocations if the department finds that the factors relate to the level of alcohol *and other drug* problems in the county. No later than 45 days after introduction of the Budget Bill, the department shall notify each county regarding its preliminary allocation under this division, pending enactment of the Budget Bill. The 1984–85 fiscal year shall establish the base funding for the county alcohol and drug allocation for local programs. Beginning with the 1985–86 fiscal year, cost-of-living adjustments, if granted, shall be considered as tied to the base allocation established in the

1 1984–85 fiscal year, plus any subsequent cost-of-living  
2 adjustments. The department shall notify each county regarding its  
3 final allocation after enactment of the Budget Bill.

4 ~~(b) A county with a population of 200,000 or less may shift~~  
5 ~~funds between alcohol and drug programs at its discretion. These~~  
6 ~~shifts shall be reflected in the county alcohol and county drug~~  
7 ~~program plans. Prior to the county shifting funds between alcohol~~  
8 ~~and drug programs, approval shall be requested and obtained by~~  
9 ~~the county from the director. The request and approval shall be in~~  
10 ~~writing. The request shall include a description of the process and~~  
11 ~~procedures used by the county, including public hearings, in~~  
12 ~~determining the need for the funding shift and shall be~~  
13 ~~accompanied by resolutions of support from the county advisory~~  
14 ~~board on alcohol problems and the county advisory board on drug~~  
15 ~~programs. The request shall be submitted as part of the proposed~~  
16 ~~annual county alcohol program plan submitted to the department~~  
17 ~~by the board of supervisors pursuant to Section 11815.~~

18 ~~(c) Notwithstanding any other provision of this section, the~~  
19 ~~director may reduce funding below the base year amounts of~~  
20 ~~counties which underspend their allocations by more than 5~~  
21 ~~percent for two consecutive years. Any reduction shall be limited~~  
22 ~~to the difference between 5 percent of the allocation and the total~~  
23 ~~amount unspent. The amounts underspent shall be based on the~~  
24 ~~most recent cost reports.~~

25 ~~(d) Notwithstanding any other provision in this section, the~~  
26 ~~director may reduce funding below the base year amounts of~~  
27 ~~counties that underspend their allocation for two consecutive~~  
28 ~~years by more than 5 percent. Any reduction shall be limited to the~~  
29 ~~difference between 5 percent of the allocation and the total amount~~  
30 ~~unspent. The amounts underspent shall be determined based on the~~  
31 ~~most recent cost reports.~~

32 SEC. 84. Section 11814.5 of the Health and Safety Code is  
33 repealed.

34 ~~11814.5. Two million five hundred thousand dollars~~  
35 ~~(\$2,500,000) is appropriated from the General Fund to the State~~  
36 ~~Department of Alcohol and Drug Programs to be allocated on a per~~  
37 ~~capita basis or by any other formula that is determined by the~~  
38 ~~department as necessary to carry out the purposes of Division 10.5~~  
39 ~~(commencing with Section 11750) relating to alcohol, to each~~  
40 ~~county to offset its administrative costs in assuming realignment~~

~~of state and county functions relating to alcohol programs as provided in the act that added this section to this code and for alcohol programs of high need as determined by the county. However, only a county with a population of 200,000 or less may, at its discretion, use all or a portion of these funds for either alcohol or drug services as provided for in this division if the county fulfills the requirements contained in subdivision (b) of Section 11814.~~

SEC. 85. Section 11817.1 of the Health and Safety Code is amended to read:

11817.1. The department may reallocate among counties any savings ~~which~~ *that* occur during the fiscal year in programs or services or any allocations either not applied for by a county or not in compliance with the provisions of this part. Reallocations may be made to counties by amendment to their county ~~alcohol~~ *program plans or negotiated net amount contracts.*

SEC. 86. Section 11817.3 of the Health and Safety Code is amended to read:

11817.3. (a) There shall be ~~a single state~~ *an* appropriation from the Budget Act to the department to fund programs and services to alleviate problems related to inappropriate alcohol use *or other drug use* as provided for in this part. However, if the state receives additional funds from the federal government after the enactment of the Budget Act, which *funds* may be augmented by the Director of Finance to the appropriation described in this section ~~and Section 11987.4~~ in accordance with the Budget Act, then the department shall determine the amount of those funds to be used for ~~subvention~~ *allocation* to counties, and shall allocate that amount to counties with approved amended ~~alcohol program~~ *county plans, executed negotiated net amount contracts, and amended Drug Medi-Cal contracts, whichever is applicable,* within 90 days of receipt of the additional funds to support programs and services to alleviate alcohol-related *and other drug-related* problems as described in this subdivision ~~and pursuant to subdivision (d) of Section 11987.4~~. The allocation of all funds pursuant to this subdivision shall comply with federal requirements and with any requirements pursuant to Section 28 of the Budget Act.

(b) The requirement set forth in subdivision (a) that the department determine the amount of additional funds to be used for ~~subvention~~ *allocation* to counties and allocate that amount to



1 counties within 90 days, shall be waived when the 90-day period  
2 does not allow sufficient time for completion of the notification  
3 period pursuant to Section 28 of the Budget Act.

4 (c) As used in this section, “approved amended ~~alcohol~~  
5 ~~program~~ county plan” means ~~an alcohol program~~ a county plan  
6 amended by a county to describe the county’s proposed use of the  
7 additional or reduced funds, ~~and available pursuant to this section,~~  
8 which plan is approved by the department.

9 (d) As used in this section, “executed negotiated net amount  
10 contract” or “amended Drug Medi-Cal contract” refers to a  
11 contract that is amended by a county to describe the county’s  
12 proposed use of the additional or reduced funds available pursuant  
13 to this section, which contract is approved by the department.

14 SEC. 87. Section 11817.4 of the Health and Safety Code is  
15 amended to read:

16 11817.4. Alcohol ~~services and other drug service~~  
17 expenditures made by counties pursuant to this part shall be paid  
18 by the state pursuant to the provisions of this part.

19 SEC. 88. Section 11817.8 of the Health and Safety Code is  
20 repealed.

21 ~~11817.8. (a) The department shall annually audit the~~  
22 ~~expenditures of any organization funded, in whole or in part, with~~  
23 ~~funds administered by the department. The audits shall be in~~  
24 ~~accordance with the Annual Audit Plan approved pursuant to~~  
25 ~~Section 53135 of the Government Code. In addition, the~~  
26 ~~department may audit the source and application of funds collected~~  
27 ~~by counties pursuant to Section 1463.16 of the Penal Code.~~

28 ~~(b) Counties may audit the expenditures of organizations~~  
29 ~~funded in whole or in part with funds administered by the~~  
30 ~~department.~~

31 ~~(c) Counties shall repay to the department amounts of state and~~  
32 ~~federal funds found, as a result of an audit, not to have been~~  
33 ~~expended in accordance with the requirements set forth in this part,~~  
34 ~~federal block grant law, (PL 97-35), federal or state regulations~~  
35 ~~pertaining to alcoholism or drug abuse services, and the conditions~~  
36 ~~set forth in any contract or interagency agreement. For~~  
37 ~~organizations or services funded by any combination of state,~~  
38 ~~federal, or other public and private funds, where a clear audit trail~~  
39 ~~which shows the source and application of these funds, is not~~



1 ~~maintained, repayment shall be determined by prorating audit~~  
2 ~~findings between each funding source.~~

3 ~~(d) For those audits conducted by the department, the director~~  
4 ~~shall establish, administratively, policies and procedures for the~~  
5 ~~resolution of disputed audit findings. The department shall consult~~  
6 ~~with county alcohol program administrators when proposing~~  
7 ~~changes in the procedures for the resolution of disputed audits~~  
8 ~~findings.~~

9 ~~(e) There is hereby established in the State Treasury an Audit~~  
10 ~~Repayment Trust Fund. All undisputed repayments of state funds~~  
11 ~~made pursuant to subdivision (c) and all repayments of state funds~~  
12 ~~resulting from audit resolution procedures established pursuant to~~  
13 ~~subdivision (d) shall be deposited in this fund. The money in the~~  
14 ~~fund shall be available when appropriated by the Legislature.~~

15 ~~(f) The department may deny or withhold payments or~~  
16 ~~advances of funds to counties if it finds, by audit or otherwise, that~~  
17 ~~a program, the county planning process, or the county alcohol~~  
18 ~~program plan or any part thereof, is not in compliance with the~~  
19 ~~provisions of this part, or if the department determines that the~~  
20 ~~county is not following its approved county alcohol program plan.~~

21 ~~(g) Notwithstanding subdivision (a) of Section 53134 of the~~  
22 ~~Government Code, audits performed pursuant to this section shall~~  
23 ~~be conducted by qualified state or local government auditors or~~  
24 ~~independent public accountants in accordance with the financial~~  
25 ~~and compliance requirements of Federal Standards for Audit of~~  
26 ~~Governmental Organizations, Programs, Activities and~~  
27 ~~Functions. These audits shall be completed no later than six~~  
28 ~~months after completion of the audit fieldwork.~~

29 SEC. 89. Section 11817.8 is added to the Health and Safety  
30 Code, to read:

31 11817.8. (a) It is the intent of the Legislature that the state and  
32 the counties work together to minimize audit exceptions. Audit  
33 findings as contained in the department audit reports may be  
34 appealed by counties directly to the department. Counties may  
35 retain disputed audit amounts of state and federal funds unless an  
36 audit appeal is filed, and then until the audit appeal is resolved, in  
37 whole or in part, against the county.

38 (b) The department shall audit the expenditures of counties,  
39 direct contractors, and subcontractors. The department shall  
40 develop an annual audit plan that will identify the counties, direct

1 contractors, and subcontractors funded in whole or in part with the  
2 funds administered by the department. The annual audit plan shall  
3 consist of a sufficient number of audits and financial reviews to  
4 provide reasonable assurance that federal and state funds have  
5 been used for their intended purpose in accordance with applicable  
6 funding requirements and restrictions contained in statutes,  
7 regulations, and contracts.

8 (c) The department may conduct audits and financial related  
9 reviews on other than a routine basis of any county, direct  
10 contractor, or county subcontractor funded in whole or in part with  
11 funds administered by the department, as the department deems  
12 necessary and appropriate.

13 (d) Counties may audit the expenditures of organizations  
14 funded in whole or in part with funds administered by the  
15 department.

16 (e) Notwithstanding subdivision (e) of Section 11758.12,  
17 counties shall repay to the department amounts of state and federal  
18 funds found, as a result of an audit, not to have been expended in  
19 accordance with the requirements set forth in this part, federal  
20 block grant law, federal or state regulations pertaining to alcohol  
21 or other drug abuse services, and the conditions set forth in any  
22 contract or interagency agreement. For organizations or services  
23 and the conditions set forth in any combination of state, federal,  
24 or other public funds, where a clear audit trail shows that the source  
25 and application of these funds is not maintained, repayment shall  
26 be determined by prorating audit findings between each funding  
27 source.

28 (f) For those audits conducted by the department, the director  
29 shall administratively establish policies and procedures for the  
30 resolution of disputed audit findings. The department shall consult  
31 with county administrators when proposing changes in the  
32 procedures for the resolution of disputed audit findings.

33 (g) There is established in the State Treasury an Audit  
34 Repayment Trust Fund. All undisputed repayments of state funds  
35 made pursuant to subdivision (e) and all repayments of state funds  
36 resulting from an audit resolution procedure established pursuant  
37 to subdivision (f) shall be deposited in this fund. The money in the  
38 fund shall be available upon appropriation by the Legislature.

39 (h) The department may deny or withhold payments or  
40 advances of funds to a county if the department finds, by audit or

otherwise, that a program is not in compliance with this part, the net amount contract, and Drug Medi-Cal contract, whichever is applicable.

(i) Notwithstanding subdivision (a) of Section 53134 of the Government Code, audits performed pursuant to this section shall be conducted by qualified state or local government auditors or independent public accountants in accordance with generally accepted governing auditing standards, as prescribed by Government Auditing Standards, issued by the Comptroller General of the United States. These audits shall be completed no later than six months after the completion of the audit fieldwork.

SEC. 90. Section 11818 of the Health and Safety Code is amended to read:

11818. (a) *(1) Expenditures made by counties and contract providers that may be reimbursed from funds under this part shall include expenditures for personnel, facilities, supplies, maintenance, utilities, and management services which are necessary for the provision of services and activities specified in this article. The expenditures for facilities shall be determined through rent or depreciation as established in the state's Uniform Accounting Manual, disregarding depreciation on such a facility to the extent it was financed by state funds under this part, and any other expenditures which may be approved by the director. Reimbursement shall not be made for expenditures for the purchase or construction of buildings, except for such equipment items and remodeling expenses as may be provided for in regulations, for expenditures for purposes for which state reimbursement is claimed under any other provision of law, or for expenditures pursuant to Section 11755.5 paid using appropriated funds subject to payment include salaries of personnel, approved facilities and services provided through contract, operation, maintenance, and service costs, depreciation of county facilities as established in the State of California's Auditing Standards and Procedures for Counties, disregarding depreciation on the county facility to the extent it was financed by state funds under this part, lease of facilities where there is no intention to, nor option to, purchase, and other expenditures that may be approved by the director.*

*(2) Expenditures made by counties and contract providers that may not be paid using appropriated funds subject to payment*

1 *include expenditures for initial capital improvement, the purchase*  
2 *or construction of buildings, except for equipment items and*  
3 *remodeling expenses as may be provided in regulations of the*  
4 *department, compensation to members of a local advisory board*  
5 *on drug programs, except actual and necessary expenses incurred*  
6 *in the performance of official duties, and expenditures for a*  
7 *purpose for which state reimbursement is claimed under any other*  
8 *law.*

9 (b) (1) Except as provided in Chapter 3 (commencing with  
10 Section 11758.10) ~~and Chapter 3.3 commencing with Section~~  
11 ~~11758.20),~~ the cost of services specified in the county ~~alcohol~~  
12 ~~program plan, negotiated net amount contract, and Drug~~  
13 ~~Medi-Cal contract with the department, whichever is applicable,~~  
14 shall be based upon reimbursement of actual costs as determined  
15 with standard accounting practices. The county may enter into  
16 contracts with providers at actual cost or a negotiated rate.  
17 Negotiated rate is a specific and fixed dollar rate for a specified  
18 unit of service provided. Negotiated rates may be used as the cost  
19 of services only between the county and private providers. The  
20 negotiated rate shall be approved by the county prior to  
21 commencing services for reimbursement and the rate shall be  
22 based upon the projected cost of providing the services and  
23 projected revenues realized as a result of providing the services.  
24 The provider shall make available to the county information on  
25 prior years' actual cost of providing the services and actual  
26 revenues.

27 (2) (A) Providers that receive a combination of Medi-Cal  
28 funding and other federal or state funding for the same service  
29 element and location shall be reimbursed for actual costs as limited  
30 by Medi-Cal reimbursement requirements, as specified in Title  
31 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.),  
32 the medicaid state plan, subdivisions (c) and (d) of Section 51516  
33 of Title 22 of the California Code of Regulations, except that  
34 reimbursement for non-Medi-Cal services shall not be limited by  
35 Medi-Cal rate requirements or customary charges to privately  
36 paying clients.

37 (B) For those providers who operate under a negotiated rate for  
38 non-Medi-Cal services, the rates shall be treated as provisional  
39 rates, subject to year-end settlement to actual costs.

(3) Notwithstanding any other provision of law, during year-end settlements, the department may pay from both state and federal funds prior fiscal year allowable Medi-Cal costs incurred by June 30 of the prior fiscal year, that exceed the amount timely encumbered in the prior fiscal year contract.

SEC. 91. Section 11818.5 of the Health and Safety Code is amended to read:

11818.5. (a) Counties shall submit a cost report reflecting the expenditure of funds allocated by the department. An annual cost report, for the fiscal year ending June 30, shall be submitted to the department by November 1.

(b) Each county shall be responsible for reviewing its contracts with providers of services and the department may audit these contracts. The cost reports shall be reviewed by the department and interim settlements of claims shall be made expeditiously with each county. Final settlement shall be made at the time of audit, which shall be completed within three years of the date the cost report was accepted for interim settlement by the department. If the audit is not completed within three years, the interim settlement shall be considered as the final settlement.

(c) Counties shall report estimated numbers and characteristics of clients-participants by type of service in the ~~annual~~ county ~~alcohol program~~ plan and shall report actual numbers and characteristics of clients-participants served by type of service with the annual cost report. The department shall specify forms and procedures to be followed in reporting this information. The fiscal reporting system established pursuant to this section shall supersede the requirements of paragraph (2) of subdivision (b) of Section 16366.7 of the Government Code for a quarterly fiscal reporting system.

SEC. 92. Section 11820 of the Health and Safety Code is amended to read:

11820. The Legislature recognizes the potential positive impact that federal, state, and local health planning agencies can have on the alleviation of alcohol *and other drug* problems through better coordinated planning and utilization of limited health resources. The Legislature encourages persons concerned with alcohol *and other drug* problems to become involved as much as possible as representatives on health planning agencies, and

1 committees thereof, and in providing advice and comments on  
2 health plans of ~~such~~ *those* agencies.

3 SEC. 93. Section 11820.1 of the Health and Safety Code is  
4 amended to read:

5 11820.1. The department shall work together with the Office  
6 of Statewide Health Planning and Development and any other  
7 statewide health planning agencies created pursuant to Public Law  
8 93-641 in the preparation and implementation of the state health  
9 plan required under ~~such~~ *that* act. The department shall seek the  
10 advice and comments of public and private agencies and  
11 individuals concerned with alcohol *and other drug* problems prior  
12 to submission by the department of any draft plans to the office.

13 SEC. 94. Section 11825 of the Health and Safety Code is  
14 amended to read:

15 11825. The department may establish reasonable criteria to  
16 evaluate the performance of programs and services ~~which~~ *that* are  
17 described in the ~~program~~ *county* plan.

18 SEC. 95. Section 11826 of the Health and Safety Code is  
19 amended to read:

20 11826. The department may do all of the following:

21 (a) Review and conduct evaluation studies of service delivery  
22 to clients in programs receiving state allocated funds.

23 (b) Conduct investigative reporting.

24 (c) Disseminate evaluation studies, reports, articles, and other  
25 reference documents.

26 (d) Evaluate the administration of county alcohol *and other*  
27 *drug* programs to determine whether the county provides for  
28 adequate administration of the county alcohol *and other drug*  
29 program.

30 SEC. 96. Section 11827 of the Health and Safety Code is  
31 amended to read:

32 11827. The Legislature recognizes that local program  
33 effectiveness may be evaluated in a variety of ways, but should  
34 reflect the needs and priorities of the local community and attempt  
35 to measure the achievement of objectives determined through the  
36 planning process described in this part. The Legislature further  
37 recognizes that the conducting of these evaluations is essential to  
38 holding county alcohol *and other drug* programs accountable for  
39 their use of state funds and increasing program effectiveness. The  
40 Legislature recognizes the beneficial results of the local evaluation



1 process to those participating in this process, as described in the  
2 county ~~alcohol program~~ plan.

3 The Legislature desires to encourage experimentation and  
4 diversity in the methods utilized by counties to evaluate the county  
5 alcohol *and other drug* programs' achievement of their objectives,  
6 including, but not limited to, evaluations of individuals' progress,  
7 changes in utilization rates, changes in community attitudes, and  
8 measurement of specific programmatic goals in order to advance  
9 our knowledge about the effectiveness of ~~alcohol~~ programs in  
10 alleviating alcohol *and other drug* problems.

11 SEC. 97. Section 11828 of the Health and Safety Code is  
12 amended to read:

13 11828. Each county shall assure the evaluation of all  
14 state-funded programs to determine whether they have achieved  
15 their objectives as determined in the planning process. In addition,  
16 recognizing the difficulty and expense of conducting effective  
17 county alcohol *and other drug* program evaluation, the department  
18 may assist counties in developing evaluation designs for  
19 implementation by counties ~~which may~~ to measure progress of  
20 ~~individual problem drinkers~~ alcohol *or other drug* users, changes  
21 in community attitudes toward inappropriate alcohol use and *other*  
22 *drug* problems, changes in the incidence and prevalence of alcohol  
23 *and other drug* problems within the county, or other objectives  
24 identified in the planning process. The department, in cooperation  
25 with counties that choose to participate, may assist and fund  
26 counties to implement the evaluation designs developed. Counties  
27 may contract with public or private agencies and utilize funds  
28 allocated under this part for purposes of conducting the  
29 evaluations.

30 SEC. 98. Section 11830 of the Health and Safety Code, as  
31 amended by Section 2 of Chapter 919 of the Statutes of 1989, is  
32 amended to read:

33 11830. The department shall take the following goals and  
34 objectives into consideration in the implementation of this  
35 chapter:

36 (a) The significance of community-based programs to alcohol  
37 *and other drug abuse* recovery shall not be diminished.

38 (b) Opportunities for low-income and special needs  
39 populations to receive alcohol ~~or~~ *and other drug* abuse recovery  
40 or treatment services shall be encouraged.



SEC. 99. Section 11830 of the Health and Safety Code, as amended by Section 64 of Chapter 938 of the Statutes of 1995, is amended and renumbered to read:

~~11830.—~~

*11830.1. In order to assure ensure quality assurance of alcohol and other drug programs and expand the availability of funding resources, the department shall implement a program certification procedure for direct alcohol and other drug treatment recovery services funded under this part. The department, after consultation with the state advisory board, county alcohol program administrators County Alcohol and Drug Program Administrators Association of California, and other interested organizations and individuals, shall develop standards and regulations for the direct alcohol and other drug treatment recovery services describing the minimal level of service quality required of the service providers to qualify for and obtain state certification. The standards shall be voluntary until adopted as regulations, except that, notwithstanding Section 11340.5 of the Government Code, in order for a direct service provider to be eligible for funds pursuant to Section 1463.16 of the Penal Code, the provider shall have a valid certificate issued by the department under this chapter, whether or not the standards have been promulgated as regulations excluded from the rulemaking requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Compliance with these standards shall be voluntary on the part of programs. For the purposes of Section 2626.2 of the Unemployment Insurance Code, certification shall be equivalent to program review.*

SEC. 100. Section 11830.5 of the Health and Safety Code is amended to read:

*11830.5. (a) The department, in consultation with the State Advisory Board, county alcohol and drug program administrators, and other interested organizations and individuals, shall develop program standards specific to each type of residential and nonresidential program, to be used during its certification process. These standards shall be advisory only and are excluded from the provisions of Section 11340.5 of the Government Code and other rulemaking requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of*

Division 3 of Title 2 of the Government Code), and Chapter 8 (commencing with Section 11835).

~~The~~

(b) *The* program standards shall include, but not be limited to, both of the following:

~~(a)–~~

(1) Recognition and characterization of different approaches and solutions to the alcohol and drug problems that the department determines have sufficient merit for a separate standard.

~~(b)–~~

(2) Reference to the needs of youth, the elderly, women, pregnant women, mothers and their children, gay, disabled, and ~~minority~~ *special* populations, with recognition of innovative solutions to the problems of those special populations.

~~The~~

(c) *The* program standards shall serve as educational documents to inform the public of the current state-of-the-art in effective and cost-efficient alcohol and drug problem programming.

SEC. 101. Section 11831 of the Health and Safety Code, as added by Section 64 of Chapter 1328 of the Statutes of 1984, is amended and renumbered to read:

~~11831.—~~

11831.2. The department may charge a reasonable fee as the department deems necessary for the certification or renewal certification of a program—~~which~~ *that* voluntarily requests the certification. The fee shall be set at a level sufficient to cover administrative costs of the program certification process incurred by the department. In calculating the administrative costs, the department shall include staff salaries and benefits, related travel costs, and state operational and administrative costs.

SEC. 102. Section 11831.5 of the Health and Safety Code is amended to read:

11831.5. (a) Certification shall be granted by the department pursuant to this section to any alcoholism or drug abuse recovery or treatment program wishing to receive, and requesting, the certification regardless of the source of the program's funding.

(b) The purposes of certification under this section shall be all of the following:

1 (1) To identify programs ~~which~~ *that* exceed minimal levels of  
2 service quality, are in substantial compliance with the  
3 department's standards, and merit the confidence of the public,  
4 third party payers, and county alcohol and drug programs.

5 (2) To encourage programs to meet their stated goals and  
6 objectives.

7 (3) To encourage programs to strive for increased quality of  
8 service through recognition by the state and by peer programs in  
9 the alcoholism and drug field.

10 (4) To assist programs to identify their needs for technical  
11 assistance, training, and program improvements.

12 (c) Certification may be granted under this section on the basis  
13 of evidence satisfactory to the department that the requesting  
14 alcoholism or drug abuse recovery or treatment program has an  
15 accreditation by a statewide or national alcohol or drug program  
16 accrediting body. The accrediting body ~~shall be one whose~~ *provide*  
17 accreditation *that* meets or exceeds the department's standards and  
18 ~~which~~ is recognized by the department.

19 (d) No fee shall be levied by the department for certification of  
20 nonprofit organizations or local governmental entities under this  
21 section.

22 (e) Certification, or the lack thereof, shall not convey any  
23 approval or disapproval by the department, but shall be for  
24 information purposes only.

25 (f) The standards developed pursuant to Section 11830 and the  
26 certification under this section shall satisfy the requirements of  
27 Section 1463.16 of the Penal Code.

28 (g) The department and the State Department of Social  
29 Services shall enter into ~~an interagency agreement~~ *a memorandum*  
30 *of understanding* to establish a process by which the Department  
31 of Alcohol and Drug Programs can certify residential facilities or  
32 programs serving primarily adolescents, as defined in paragraph  
33 (1) of subdivision (a) of Section 1502 ~~of the Health and Safety~~  
34 ~~Code, and providing alcoholism,~~ *that have programs that*  
35 *primarily serve adolescents and provide alcohol and other drug*  
36 *recovery or treatment services.*

37 ~~The departments shall report to the Legislature no later than~~  
38 ~~January 1, 1991, on the certification process they have identified~~  
39 ~~to be used by the department in certifying adolescent programs.~~

SEC. 103. Section 11835 of the Health and Safety Code is amended to read:

11835. (a) The purposes of any regulations adopted by the department shall be to implement, interpret, or make specific the provisions of this part and shall not exceed the authority granted to the department pursuant to this part. To the extent possible, the regulations shall be written in clear and concise language and adopted only when necessary to further the purposes of this part.

(b) ~~(1) The department shall present to the state advisory board at a meeting of the board the justification for considering regulations prior to the drafting and adoption of the specified regulations. Subsequent to the presentation to, and discussion with, the board, the department shall decide whether to proceed with the drafting and adoption of the regulations.~~

~~(2) Except as provided in this section, the department may adopt regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Title 2 of the Government Code) necessary for the proper execution of the powers and duties granted to and imposed upon the department by this part. However, these regulations may be adopted only upon the following conditions:~~

(1) Prior to adoption of regulations, the department shall consult with county alcohol and drug program administrators and may consult with any other appropriate persons relating to the proposed regulations.

~~(3)~~

(2) If an absolute majority of the designated county alcohol and drug program administrators, who represent counties ~~which that~~ have submitted county ~~alcohol program~~ plans, *negotiated net amount contracts, or Drug Medi-Cal contracts*, vote at a public meeting called by the department, for which 45 days' advance notice shall be given by the department, to reject the proposed regulations, the department shall refer the matter for a decision to a committee ~~composed of five persons~~, consisting of a ~~representative of the state advisory board~~, a representative of the county alcohol and drug program administrators, the director, the secretary, and one designee of the secretary. The decision shall be made by a majority vote of this committee at a public meeting convened by the department. Upon a majority vote of the

1 committee recommending adoption of the proposed regulations,  
2 the department may then adopt them. Upon a majority vote  
3 recommending that the department not adopt the proposed  
4 regulations, the department shall then consult again with the  
5 county *alcohol and drug program* administrators and advisory  
6 board and resubmit the proposed regulations to the administrators  
7 for a vote pursuant to this subdivision.

8 ~~(4)–~~

9 (3) In the voting process described in paragraph ~~(3)~~ (2), no  
10 proxies shall be allowed nor may anyone other than the designated  
11 county alcohol and drug program administrator, ~~representative of~~  
12 ~~the state advisory board~~, director, secretary, and secretary's  
13 designee vote at the meetings.

14 SEC. 104. The heading of Chapter 9 (commencing with  
15 Section 11836) of Part 2 of Division 10.5 of the Health and Safety  
16 Code is amended to read:

17  
18 CHAPTER 9. SERVICES TO PERSONS CONVICTED FOR DRIVING  
19 WHILE UNDER THE INFLUENCE OF ALCOHOL AND *OTHER DRUGS*  
20

21  
22 SEC. 105. Section 11836 of the Health and Safety Code is  
23 amended to read:

24 11836. (a) The department shall have the sole authority to  
25 issue, deny, suspend, or revoke the license of a  
26 driving-under-the-influence program. As used in this chapter,  
27 “program” means any firm, partnership, association, corporation,  
28 local governmental entity, agency, or place that has been initially  
29 recommended by the county board of supervisors, subject to any  
30 limitation imposed pursuant to subdivisions (c) and (d), and that  
31 is subsequently licensed by the department to provide alcohol or  
32 drug recovery services in that county to any of the following:

33 (1) A person whose license to drive has been administratively  
34 suspended or revoked for, or who is convicted of, a violation of  
35 Section 23152 or 23153 of the Vehicle Code, and admitted to a  
36 program pursuant to Section 13352, 23538, 23542, 23548, 23552,  
37 23556, 23562, or 23568 of the Vehicle Code.

38 (2) A person who is convicted of a violation of subdivision (b),  
39 (c), (d), or (e) of Section 655 of the Harbors and Navigation Code,

1 or of Section 655.4 of that code, and admitted to the program  
2 pursuant to Section 668 of that code.

3 (3) A person who has pled guilty or nolo contendere to a charge  
4 of a violation of Section 23103 of the Vehicle Code, under the  
5 conditions set forth in subdivision (c) of Section 23103.5 of the  
6 Vehicle Code, and who has been admitted to the program under  
7 subdivision (e) of Section 23103.5 of the Vehicle Code.

8 (4) A person whose license has been suspended, revoked, or  
9 delayed due to a violation of Section 23140, and who has been  
10 admitted to a program under Article 2 (commencing with Section  
11 23502) of Chapter 1 of Division 11.5 of the Vehicle Code.

12 (b) If a firm, partnership, corporation, association, local  
13 government entity, agency, or place has, or is applying for, more  
14 than one license, the department shall treat each licensed program,  
15 or each program seeking licensure, as belonging to a separate firm,  
16 partnership, corporation, association, local government entity,  
17 agency, or place for the purposes of this chapter.

18 (c) For purposes of providing recommendations to the  
19 department pursuant to subdivision (a), a county board of  
20 supervisors may limit its recommendations to those programs that  
21 provide services for persons convicted of a first  
22 driving-under-the-influence offense, or services to those persons  
23 convicted of a second or subsequent driving-under-the-influence  
24 offense, or both services. If a county board of supervisors fails to  
25 provide recommendations, the department shall determine the  
26 program or programs to be licensed in that county.

27 (d) After determining a need, a county board of supervisors  
28 may also place one or more limitations on the services to be  
29 provided by a driving-under-the-influence program or the area the  
30 program may operate within the county, when it initially  
31 recommends a program to the department pursuant to subdivision  
32 (a).

33 (1) For purposes of this subdivision, a board of supervisors may  
34 restrict a program for those convicted of a first  
35 driving-under-the-influence offense to providing only a  
36 three-month program, or may restrict a program to those convicted  
37 of a second or subsequent driving-under-the-influence offense to  
38 providing only an 18-month program, as a condition of its  
39 recommendation.

(2) A board of supervisors may not place any restrictions on a program that would violate any statute or regulation.

(3) When recommending a program, if a board of supervisors fails to place any limitation on a program pursuant to this subdivision, the department may license that program to provide any driving-under-the-influence program services that are allowed by law within that county.

(4) This subdivision is intended to apply only to the initial recommendation to the ~~State Department of Alcohol and Drug Programs~~ department for licensure of a program by the county. It is not intended to affect any license that has been previously issued by the department or the renewal of any license for a driving-under-the-influence program. In counties where a contract or other written agreement is currently in effect between the county and a licensed driving-under-the-influence program operating in that county, this subdivision is not intended to alter the terms of that relationship or the renewal of that relationship.

~~(e) This section shall become operative on January 1, 2001.~~

SEC. 106. Section 11837.2 of the Health and Safety Code is amended to read:

11837.2. (a) (1) The court may refer persons only to licensed programs. Subject to these provisions, a person is eligible to participate in the program if ~~it~~ *the program* is operating in ~~(1) the~~ *any of the following*:

(A) ~~The county where the person is convicted, or (2) the~~ *convicted.*

(B) ~~The county where the person resides, or (3) a~~ *resides.*

(C) A county that has an agreement with ~~such~~ *the* person's county of residence pursuant to Section ~~11838, or (4) a~~ *11838.*

(D) A county to which a person may request transfer pursuant to subdivision (d).

~~If~~

(2) ~~If~~ a person granted probation under Section 23542 or 23562 of the Vehicle Code cannot be referred to a licensed 18-month program pursuant to this section, Section 13352.5 of the Vehicle Code does not apply.

(b) If a person has consented to participate in a licensed program and the county where the person is convicted is the same county in which the person resides, the court may order the person to participate in a licensed program within that county, or, if that



1 county does not have a licensed program, the court may order that  
2 person to participate in a licensed program within another county,  
3 pursuant to Section 11838.

4 (c) If a person has consented to participate in a licensed  
5 program in the county in which that person resides or in a county  
6 in which the person's county of residence has an agreement  
7 pursuant to Section ~~11837~~ 11838, and the county where the person  
8 is convicted is not the county where the person resides, and if the  
9 court grants the person summary probation, the court may order  
10 the person to participate in a licensed program in that county. In  
11 lieu of summary probation, the court may utilize the probation  
12 officer to implement the orders of the court. If the county in which  
13 the person resides does not have a licensed program or an  
14 agreement with another county pursuant to Section 11838 and the  
15 person consents, the court may order the person to participate in  
16 a licensed program within the county where that person is  
17 convicted or in a county with which the county has an agreement  
18 pursuant to Section 11838.

19 (d) Except as otherwise provided in subdivision (e),  
20 subsequent to a person's commencement of participation in a  
21 program, the person may request transfer to another licensed  
22 program (1) in the same county in which the person has  
23 commenced participation in the program, upon approval of that  
24 county's alcohol *and drug* program administrator, or (2) in a  
25 county other than the county in which the person has commenced  
26 participation in the program, upon approval of the alcohol *and*  
27 *drug* program administrator of the county in which the person is  
28 participating and the county to which the person is requesting  
29 transfer.

30 (e) Subdivision (d) does not apply (1) if the court has ordered  
31 the person to participate in a specific licensed program, unless the  
32 court orders the transfer or, (2) if the person is under formal  
33 probation, unless the probation officer consents to the transfer. The  
34 department shall establish reporting forms and procedures to  
35 ensure that the court receives notice of any program transfer  
36 pursuant to this subdivision or subdivision (d).

37 (f) Jurisdiction of all postconviction matters arising pursuant to  
38 this section may be retained by the court of conviction.

39 (g) The department, in cooperation with the Department of  
40 Motor Vehicles and the *county* alcohol *and drug* program

1 administrators, shall establish procedures to ensure the effective  
2 implementation of this section.

3 SEC. 107. Section 11837.3 of the Health and Safety Code is  
4 amended to read:

5 11837.3. (a) (1) Each county, through the county alcohol  
6 *and drug* program administrator, shall determine its ability to  
7 establish, through public or private resources, a program of  
8 alcohol and other drug education and counseling services for a  
9 person whose license to drive has been administratively suspended  
10 or revoked for, or who is convicted of, a first violation of Section  
11 23152 or 23153 of the Vehicle Code, or who is convicted of a  
12 violation of subdivision (b), (c), (d), or (e) of Section 655 of, or  
13 Section 655.4 of, the Harbors and Navigation Code, pursuant to  
14 subdivisions (e) and (f) of Section 668 of the Harbors and  
15 Navigation Code. The program shall be self-supporting through  
16 fees collected from program participants. The program shall be of  
17 at least three months' duration and ~~totaling~~ *consist of* at least 30  
18 hours of direct education and counseling ~~services, that services.~~  
19 *The program* shall be authorized by each county and licensed by,  
20 and operated under general regulations established by, the  
21 department. ~~A~~

22 (2) (A) A county that shows the department that it has  
23 insufficient resources, insufficient potential program participants,  
24 or other material disadvantages is not required to establish a  
25 program.

26 ~~(2)–~~

27 (B) The department may license an alcohol and other drug  
28 education program that is less than 30 hours in length in any county  
29 where the board of supervisors has provided the showing pursuant  
30 to ~~paragraph (1) subparagraph (A),~~ and the department has upheld  
31 that showing. The shorter program is subject to all other applicable  
32 regulations developed by the department pursuant to paragraph (3)  
33 of subdivision (b) of Section 11837.4.

34 (b) Each county that has approved an alcohol and other drug  
35 education program or programs and that is licensed by the  
36 department shall make provision for persons who can document  
37 current inability to pay the program fee, in order to enable those  
38 persons to participate. The county shall require that the program  
39 report the failure of a person referred to the program to enroll in  
40 the program to the referring court.

1 (c) In order to assure effectiveness of the alcohol and other drug  
2 education and counseling program, the county shall provide, as  
3 appropriate, services to ethnic minorities, women, youth, or any  
4 other group that has particular needs related to the program.

5 (d) (1) Any person required to successfully complete an  
6 alcohol and other drug education and counseling program as a  
7 condition of probation shall enroll in the program and, except  
8 when enrollment is required in a program that is required to report  
9 failures to enroll to the court, shall furnish proof of the enrollment  
10 to the court within the period of time and in the manner specified  
11 by the court. The person also shall participate in and successfully  
12 complete the program, and shall furnish proof of successful  
13 completion within the period of time and in the manner specified  
14 by the court.

15 (2) An alcohol and other drug education and counseling  
16 program shall report to the court, within the period of time and in  
17 the manner specified by the court, the name of any person who fails  
18 to successfully complete the program.

19 SEC. 108. Section 11837.4 of the Health and Safety Code is  
20 amended to read:

21 11837.4. (a) No program, regardless of how it is funded, may  
22 be licensed unless all of the requirements of this chapter and of the  
23 regulations adopted pursuant to this chapter have been met.

24 (b) Each licensed program shall include, but not be limited to,  
25 the following:

26 (1) For the alcohol or drug education and counseling services  
27 programs specified in subdivision (b) of Section 11837, each  
28 program shall provide for close and regular face-to-face  
29 interviews. For the 18-month programs specified in subdivision  
30 (a) of Section 11837, each program shall provide for close and  
31 regular supervision of the person, including face-to-face  
32 interviews at least once every other calendar week, regarding the  
33 person's progress in the program for the first 12 months of the  
34 program and shall provide only community reentry supervision  
35 during the final six months of the program. In the last six months  
36 of the 18-month program, the provider shall monitor the  
37 participant's community reentry activity with self-help groups,  
38 employment, family, and other areas of self-improvement. Unless  
39 otherwise ordered by the court, the provider's monitoring services  
40 ~~is~~ are limited to not more than six hours. For the 30-month

1 programs specified in subdivision (b) of Section 23548,  
2 subdivision (b) of Section 23552, and subdivision (b) of Section  
3 23568 of the Vehicle Code, each program shall provide for close  
4 and regular supervision of the person, including regular, scheduled  
5 face-to-face interviews over the course of 30 months regarding the  
6 person's progress in the program and recovery from problem  
7 drinking, alcoholism, chemical dependency, or polydrug abuse, as  
8 prescribed by regulations of the department. The interviews in any  
9 of those programs shall be conducted individually with each  
10 person being supervised and shall occur at times other than when  
11 the person is participating in any group or other activities of the  
12 program. No program activity in which the person is participating  
13 shall be interrupted in order to conduct the individual interviews.

14 (2) (A) The department shall approve all fee schedules for the  
15 programs and shall require that each program be self-supporting  
16 from the participants' fees and that each program provide for the  
17 payment of the costs of the program by participants at times and  
18 in amounts commensurate with their ability to pay in order to  
19 enable these persons to participate. Each program shall make  
20 provisions for persons who can successfully document current  
21 inability to pay the fees. Only the department may establish the  
22 criteria and procedures for determining a participant's ability to  
23 pay. The department shall ensure that the fees are set at amounts  
24 ~~which~~ *that* will enable programs to provide adequately for the  
25 immediate and long-term continuation of services required  
26 pursuant to this chapter. The fees shall be used only for the  
27 purposes set forth in this chapter, except that any profit or surplus;  
28 that does not exceed the maximum level established by the  
29 department; may be utilized for any purposes allowable under any  
30 other provisions of law. In its regulations, the department shall  
31 define, for the purposes of this paragraph, taking into account  
32 prudent accounting, management, and business practices and  
33 procedures, the terms "profits" and "surplus." The department  
34 shall fairly construe these provisions so as not to jeopardize fiscal  
35 integrity of the programs. The department may not license any  
36 program if the department finds that any element of the  
37 administration of the program does not assure the fiscal integrity  
38 of the program.

39 (B) Each program licensed by the department under this  
40 section may request an increase in the fees. The request for an



1 increase shall initially be sent to the county alcohol *and drug*  
2 program administrator. The county alcohol *and drug* program  
3 administrator shall, within 30 days of receiving the request,  
4 forward it to the department with the administrator's  
5 recommendation that the fee increase be approved or disapproved.

6 (C) The administrator's recommendation shall, among other  
7 things, take into account the rationale that the program has  
8 provided to the administrator for the increase and whether that  
9 increase would exceed the profit or surplus limit established by the  
10 department.

11 (D) If the county alcohol *and drug* program administrator fails  
12 to forward the request to the department within the 30 days, the  
13 program may send the request directly to the department. In this  
14 instance, the department may act without the administrator's  
15 recommendation.

16 (E) The department shall, within 30 days of receiving the  
17 request pursuant to subparagraph (B) or (D) approve or disapprove  
18 the request. In making its decision, the department shall consider  
19 the matters described in subparagraph (C).

20 (3) The licensed programs described in paragraph (1) shall  
21 include a variety of treatment services for problem drinkers,  
22 alcoholics, chemical dependents, and polydrug abusers or shall  
23 have the capability of referring the persons to, and regularly and  
24 closely supervising the persons while in, any appropriate medical,  
25 hospital, or licensed residential treatment services or self-help  
26 groups for their problem drinking, alcoholism, chemical  
27 dependency, or polydrug abuse problem. In addition to the  
28 requirements of paragraph (1), the department shall prescribe in its  
29 regulations what other services the program shall provide, at a  
30 minimum, in the treatment of participants, which services may  
31 include lectures, classes, group discussions, group counseling, or  
32 individual counseling in addition to the interviews required by  
33 paragraph (1), or any combination thereof. However, any group  
34 discussion or counseling activity, other than classes or lectures,  
35 shall be regularly scheduled to consist of not more than 15 persons,  
36 except that they may, on an emergency basis, exceed 15, but not  
37 more than 17, persons, at any one meeting. At no time shall there  
38 be more than 17 persons in attendance at any one meeting. For the  
39 30-month programs specified in subdivision (b) of Section 23548,  
40 subdivision (b) of Section 23552, and subdivision (b) of Section



1 23568 of the Vehicle Code, each licensed program shall include a  
2 method by which each participant shall maintain a compendium  
3 of probative evidence, as prescribed in the regulations of the  
4 department, on a trimonthly basis demonstrating a performance of  
5 voluntary community service by the participant, including, but not  
6 limited to, the prevention of drinking and driving, the promotion  
7 of safe driving, and responsible attitudes toward the use of  
8 chemicals of any kind, for not less than 120 hours and not more  
9 than 300 hours, as determined by the court, with one-half of that  
10 time to be served during the initial 18 months of program  
11 participation and one-half of that time to be served in the final 12  
12 months. In determining whether or not the participant has met the  
13 objectives of the program, the compendium of evidence shall also  
14 include, and the court shall consider, the participant's  
15 demonstration of significant improvement in any of the following  
16 areas of personal achievement:

17 (A) Significant improvement in occupational performance,  
18 including efforts to obtain gainful employment.

19 (B) Significant improvement in physical and mental health.

20 (C) Significant improvement in family relations, including  
21 financial obligations.

22 (D) Significant improvement in financial affairs and economic  
23 stability.

24 The compendium of evidence shall be maintained by the  
25 participant for review by the program, court, probation officer, or  
26 other appropriate governmental agency. The program officials,  
27 unless prohibited by the referring court, shall make provisions for  
28 a participant to voluntarily enter, using the participant's own  
29 resources, a licensed chemical dependency recovery hospital or  
30 residential treatment program which has a valid license issued by  
31 the State of California to provide alcohol or drug services, and to  
32 receive three weeks of program participation credit for each week  
33 of that treatment, not to exceed 12 weeks of program participation  
34 credit, but only if the treatment is at least two weeks in duration.  
35 The program shall document probative evidence of this hospital or  
36 residential care treatment in the participant's program file.

37 (4) In order to assure program effectiveness, the department  
38 shall require, whenever appropriate, that the licensed program  
39 provides services to ethnic minorities, women, youth, or any other  
40 group that has particular needs relating to the program.





1 (5) The goal of each program shall be to assist persons  
2 participating in the program to recognize their chemical  
3 dependency and to assist them in their recovery.

4 (6) Each program shall establish a method by which the court,  
5 the Department of Motor Vehicles, and the person are notified in  
6 a timely manner of the person's failure to comply with the  
7 program's rules and regulations.

8 (c) No program may be licensed unless the county complies  
9 with the requirements of subdivision (b) of Section 11812. The  
10 provider of a program that offers an alcohol or drug education and  
11 counseling services program, an 18-month program, or a  
12 30-month program or any or all of those programs described in this  
13 section shall be required to obtain only one license. The  
14 department's regulations shall specify the requirements for the  
15 establishment of each program. The license issued by the  
16 department shall identify the program or programs licensed to  
17 operate.

18 (d) (1) Departmental approval for the establishment of a  
19 30-month program by a licensed 18-month program is contingent  
20 upon approval by the county alcohol *and drug* program  
21 administrator, based upon confirmation that the program applicant  
22 is capable of providing the service and that the fiscal integrity of  
23 the program applicant will not be jeopardized by the operation of  
24 the program.

25 ~~The~~  
26 (2) *The* court shall refer a person to a 30-month treatment  
27 program only if a 30-month program exists or is provided for in  
28 the jurisdiction of the court.

29 (e) A county or program shall not prescribe additional program  
30 requirements unless the requirements are specifically approved by  
31 the department.

32 (f) The department may license a program on a provisional  
33 basis.

34 SEC. 109. Section 11837.6 of the Health and Safety Code is  
35 amended to read:

36 11837.6. (a) The major responsibility for assuring  
37 programmatic and fiscal integrity of each program rests with the  
38 county alcohol *and drug* program administrator of each county  
39 utilizing a program pursuant to this chapter.



(b) The county alcohol *and drug* program administrator shall assure, through monitoring at least once every six months, compliance with the applicable statutes and regulations by any licensed program within the county's jurisdiction. Whenever possible, the county monitoring shall coincide with the state licensing reviews. The county alcohol *and drug* program administrator shall prepare and submit, to the department and the program provider, an annual written report of findings regarding the program's compliance with applicable statutes and regulations.

(c) The county alcohol *and drug* program administrator shall submit a description of each licensed program as part of the county ~~alcohol program~~ plan.

(d) The county alcohol *and drug* program administrator shall notify the department, within 30 days of the date that a program's license is denied, suspended or revoked, of the individuals who failed to commence participation in another licensed program within 21 days of the license denial, suspension or revocation.

SEC. 110. Section 11837.7 of the Health and Safety Code is amended to read:

11837.7. (a) The county alcohol *and drug* program administrator, or the advisory board acting through the county alcohol *and drug* program administrator, shall inform the board of supervisors immediately if it is determined that any program is not meeting the regulations adopted by the department. The department shall be notified in writing by the county alcohol *and drug* program administrator of any program that is not in compliance with applicable statutes and regulations.

(b) The department, the county alcohol *and drug* program administrator, the chief probation officer, or their authorized representatives may enter, in a nondisruptive manner, any class, lecture, group discussion, or any other program element to observe these activities.

(c) Notwithstanding subdivision (a) of Section 11837.6, the department may audit, or contract for the auditing of, any licensed program.

SEC. 111. Section 11837.8 of the Health and Safety Code is amended to read:

11837.8. (a) The department shall authorize each county alcohol *and drug* program administrator to retain, in an amount not

1 in excess of that specified by the department, a portion of the fees  
2 charged for participation in the program that is sufficient to  
3 reimburse the county for the costs and expenses ~~which~~ *that* the  
4 administrator reasonably incurs in discharging his or her duties  
5 pursuant to this chapter.

6 (b) A county may not use for any purpose set forth in this  
7 chapter any funds allocated to it by the department pursuant to  
8 Division 10.5 (commencing with Section 11750). The board of  
9 supervisors may authorize the use of any other funds for any  
10 purpose set forth in this chapter.

11 (c) Notwithstanding subdivision (b), a county with a  
12 population of 20,000 or less may utilize funds allocated by the  
13 department to establish and administer a program if the  
14 department finds that the county cannot establish a self-supporting  
15 program at reasonable cost or is unable to establish jointly a  
16 program with another county. If an exception is granted,  
17 reasonable effort shall be made by the county to observe the intent  
18 of subdivision (b) that programs be self-supporting.

19 SEC. 112. Section 11837.9 of the Health and Safety Code is  
20 amended to read:

21 ~~11837.9. As an element of the program, the probation~~  
22 ~~department may provide any of the face-to-face interviews~~  
23 ~~required pursuant to paragraph (1) of subdivision (a) of Section~~  
24 ~~11837.4 and may supplement any of the other services required to~~  
25 ~~be provided by a program.~~ The participation of the probation  
26 department *in a program established pursuant to this chapter* shall  
27 be described in the amendment to the county ~~alcohol program~~  
28 plan.

29 SEC. 113. Section 11838.1 of the Health and Safety Code is  
30 amended to read:

31 11838.1. The department, in cooperation with the county and  
32 the Department of Motor Vehicles, shall establish uniform  
33 statewide reporting procedures and forms for the submission of  
34 any appropriate documents or information from boards of  
35 supervisors, administrators of programs, *county alcohol and drug*  
36 *program administrators*, and program participants to assure  
37 effective implementation of this chapter.

38 SEC. 114. Chapter 10 (commencing with Section 11839) is  
39 added to Part 2 of Division 10.5 of the Health and Safety Code, to  
40 read:

## CHAPTER 10. NARCOTIC TREATMENT PROGRAMS

## Article 1. Narcotic Treatment Programs

11839. The department, with the approval of the Secretary of the Health and Human Services Agency, may contract with any public or private agency for the performance of any of the functions vested in the department by this chapter. Any department of the state is authorized to enter into such a contract.

11839.1. The Legislature finds and declares that it is in the best interests of the health and welfare of the people of this state to coordinate narcotic treatment programs to use replacement narcotic therapy in the treatment of addicted persons whose addiction was acquired or supported by the use of a narcotic drug or drugs, not in compliance with a physician and surgeon's legal prescription, and to establish and enforce minimum requirements for the operation of all narcotic treatment programs in this state.

11839.2. The following controlled substances are authorized for use in replacement narcotic therapy by licensed narcotic treatment programs:

(a) Methadone.

(b) Levoalphacetylmethadol (LAAM) as specified in paragraph (10) of subdivision (c) of Section 11055.

11839.3. (a) In addition to the duties authorized by other statutes, the department shall perform all of the following:

(1) License the establishment of narcotic treatment programs in this state to use replacement narcotic therapy in the treatment of addicted persons whose addiction was acquired or supported by the use of a narcotic drug or drugs, not in compliance with a physician and surgeon's legal prescription, except that the Research Advisory Panel shall have authority to approve methadone or LAAM research programs. The department shall establish and enforce the criteria for the eligibility of patients to be included in the programs, program operation guidelines, such as dosage levels, recordkeeping and reporting, urinalysis requirements, take-home doses of methadone, security against redistribution of the replacement narcotic drugs, and any other regulations that are necessary to protect the safety and well-being of the patient, the local community, and the public, and to carry out this chapter. A program may admit a patient to narcotic

1 maintenance or narcotic detoxification treatment seven days after  
2 completion of a prior withdrawal treatment episode. The arrest and  
3 conviction records and the records of pending charges against any  
4 person seeking admission to a narcotic treatment program shall be  
5 furnished to narcotic treatment program directors upon written  
6 request of the narcotic treatment program director provided the  
7 request is accompanied by a signed release from the person whose  
8 records are being requested.

9 (2) Inspect narcotic treatment programs in this state and ensure  
10 that programs are operating in accordance with the law and  
11 regulations. The department shall have sole responsibility for  
12 compliance inspections of all programs in each county. Annual  
13 compliance inspections shall consist of an evaluation by onsite  
14 review of the operations and records of licensed narcotic treatment  
15 programs' compliance with applicable state and federal laws and  
16 regulations and the evaluation of input from local law enforcement  
17 and local governments, regarding concerns about the narcotic  
18 treatment program. At the conclusion of each inspection visit, the  
19 department shall conduct an exit conference to explain the cited  
20 deficiencies to the program staff and to provide recommendations  
21 to ensure compliance with applicable laws and regulations. The  
22 department shall provide an inspection report to the licensee  
23 within 30 days of the completed onsite review describing the  
24 program deficiencies. A corrective action plan shall be required  
25 from the program within 30 days of receipt of the inspection  
26 report. All corrective actions contained in the plan shall be  
27 implemented within 30 days of receipt of approval by the  
28 department of the corrective action plan submitted by the narcotic  
29 treatment program. For programs found not to be in compliance,  
30 a subsequent inspection of the program shall be conducted within  
31 30 days after the receipt of the corrective action plan in order to  
32 ensure that corrective action has been implemented satisfactorily.  
33 Subsequent inspections of the program shall be conducted to  
34 determine and ensure that the corrective action has been  
35 implemented satisfactorily. For purposes of this requirement,  
36 "compliance" shall mean to have not committed any of the  
37 grounds for suspension or revocation of a license provided for  
38 under subdivision (a) of Section 11839.9 or paragraph (2) of  
39 subdivision (b) of Section 11839.9. Inspection of narcotic  
40 treatment programs shall be based on objective criteria including,



1 but not limited to, an evaluation of the programs' adherence to all  
2 applicable laws and regulations and input from local law  
3 enforcement and local governments. Nothing in this section shall  
4 preclude counties from monitoring their contract providers for  
5 compliance with contract requirements.

6 (3) Charge and collect licensure fees. In calculating the  
7 licensure fees, the department shall include staff salaries and  
8 benefits, related travel costs, and state operational and  
9 administrative costs. Fees shall be used to offset licensure and  
10 inspection costs not to exceed actual costs.

11 (4) Study and evaluate, on an ongoing basis, narcotic treatment  
12 programs including, but not limited to, the adherence of the  
13 programs to all applicable laws and regulations and the impact of  
14 the programs on the communities in which they are located.

15 (5) Provide advice, consultation, and technical assistance to  
16 narcotic treatment programs to ensure that the programs comply  
17 with all applicable laws and regulations and to minimize any  
18 negative impact that the programs may have on the communities  
19 in which they are located.

20 (6) In its discretion, to approve local agencies or bodies to assist  
21 it in carrying out this chapter provided that the department may not  
22 delegate responsibility for inspection or any other licensure  
23 activity without prior and specific statutory approval. However,  
24 the department shall evaluate recommendations made by county  
25 alcohol and drug program administrators regarding licensing  
26 activity in their respective counties.

27 (7) The director may grant exceptions to the regulations  
28 adopted under this chapter if he or she determines that this action  
29 would improve treatment services or achieve greater protection to  
30 the health and safety of patients, the local community, or the  
31 general public. No exception may be granted if it is contrary to, or  
32 less stringent than, the federal laws and regulations which govern  
33 narcotic treatment programs.

34 (b) It is the intent of the Legislature in enacting this section in  
35 order to protect the general public and local communities, that  
36 self-administered dosage shall only be provided when the patient  
37 is clearly adhering to the requirements of the program, and where  
38 daily attendance at a clinic would be incompatible with gainful  
39 employment, education, and responsible homemaking. The  
40 department shall define "satisfactory adherence" and shall ensure

1 that patients not satisfactorily adhering to their programs shall not  
2 be provided take-home dosage.

3 (c) There is established in the State Treasury the Narcotic  
4 Treatment Program Licensing Trust Fund. All licensure fees  
5 collected from the providers of narcotic treatment service shall be  
6 deposited in this fund. Except as otherwise provided in this  
7 section, if funds remain in this fund after appropriation by the  
8 Legislature and allocation for the costs associated with narcotic  
9 treatment licensure actions and inspection of narcotic treatment  
10 programs, a percentage of the excess funds shall be annually  
11 rebated to the licensees based on the percentage their licensing fee  
12 is of the total amount of fees collected by the department. A reserve  
13 equal to 10 percent of the total licensure fees collected during the  
14 preceding fiscal year may be held in each trust account to  
15 reimburse the department if the actual cost for the licensure and  
16 inspection exceed fees collected during a fiscal year.

17 (d) Notwithstanding any provision of this code or regulations  
18 to the contrary, the department shall have sole responsibility and  
19 authority for determining if a state narcotic treatment program  
20 license shall be granted and for administratively establishing the  
21 maximum treatment capacity of any license. However, the  
22 department shall not increase the capacity of a program unless it  
23 determines that the licensee is operating in full compliance with  
24 applicable laws and regulations.

25 11839.4. The department shall impose a civil penalty of one  
26 hundred dollars (\$100) a day for a program that fails to timely  
27 submit a corrective action plan, or to timely implement any  
28 corrective action when it has been found to not be in compliance  
29 with applicable laws and regulations as required in Section  
30 11839.3.

31 11839.5. In addition to the duties authorized by other  
32 provisions, the department shall be responsible for licensing  
33 narcotic treatment programs to use replacement narcotic therapy  
34 in the treatment of addicted persons whose addiction was acquired  
35 or supported by the use of a narcotic drug or drugs, not in  
36 compliance with a physician and surgeon's legal prescription. No  
37 narcotic treatment program shall be authorized to use replacement  
38 narcotic therapy without first obtaining a license therefor as  
39 provided in this chapter. The department may license narcotic

1 treatment programs on an inpatient or outpatient basis, or both.  
2 The department may also grant a state narcotic treatment license.

3 11839.6. (a) The department shall establish a program for the  
4 operation and regulation of office-based narcotic treatment  
5 programs. An office-based narcotic treatment program established  
6 pursuant to this section shall meet either of the following  
7 conditions:

8 (1) Hold a primary narcotic treatment program license.

9 (2) Be affiliated and associated with a primary licensed  
10 narcotic treatment program. An office-based narcotic treatment  
11 program meeting the requirement of this paragraph shall not be  
12 required to have a license separate from the primary licensed  
13 narcotic treatment program with which it is affiliated and  
14 associated.

15 (b) For purposes of this section, “office-based narcotic  
16 treatment program” means a program in which interested and  
17 knowledgeable physicians and surgeons provide addiction  
18 treatment services, and in which community pharmacies supply  
19 necessary medication both to these physicians and surgeons for  
20 distribution to patients and through direct administration and  
21 specified dispensing services.

22 (c) Notwithstanding any other provision of law or regulation,  
23 including Section 10020 of Title 9 of the California Code of  
24 Regulations, an office-based narcotic treatment program in a  
25 remote site that is affiliated and associated with a licensed narcotic  
26 treatment program may be approved by the department, if all of the  
27 following conditions are met:

28 (1) A physician may provide office-based addiction services  
29 only if each office-based patient is registered as a patient in the  
30 licensed narcotic treatment program and both the licensed narcotic  
31 treatment program and the office-based narcotic treatment  
32 program ensure that all services required under Chapter 4  
33 (commencing with Section 10000) of Division 4 of Title 9 of the  
34 California Code of Regulations for the management of narcotic  
35 addiction are provided to all patients treated in the remote site.

36 (2) A physician in an office-based narcotic treatment program  
37 may provide treatment for a maximum of 20 patients under the  
38 appropriate United States Drug Enforcement Administration  
39 registration. The primary licensed narcotic treatment program  
40 shall be limited to its total licensed capacity as established by the



1 department, including the patients of physicians in the  
2 office-based narcotic treatment program.

3 (3) The physicians in the office-based narcotic treatment  
4 program shall dispense or administer pharmacologic treatment for  
5 narcotic addiction that has been approved by the federal Food and  
6 Drug Administration such as levoalphacetylmethadol (LAAM) or  
7 methadone.

8 (4) Office-based narcotic treatment programs, in conjunction  
9 with primary licensed narcotic treatment programs, shall develop  
10 protocols to prevent the diversion of methadone. The department  
11 may develop regulations to prevent the diversion of methadone.

12 (d) For purposes of this section, “remote site” means a site that  
13 is geographically or physically isolated from any licensed narcotic  
14 treatment program. Therefore, the requirements in this  
15 subdivision regarding a remote site do not apply to an office-based  
16 narcotic treatment program that holds a primary narcotic treatment  
17 program license.

18 (e) In considering an office-based narcotic treatment program  
19 application, the department shall independently weigh the  
20 treatment needs and concerns of the county, city, or areas to be  
21 served by the program.

22 (f) Nothing in this section is intended to expand the scope of the  
23 practice of pharmacy.

24 11839.7. (a) (1) Each narcotic treatment program  
25 authorized to use replacement narcotic therapy in this state, except  
26 narcotic treatment research programs approved by the Research  
27 Advisory Panel, shall be licensed by the department.

28 (2) Each narcotic treatment program, other than a program  
29 owned and operated by the state, county, city, or city and county,  
30 shall, upon application for licensure and for renewal of a license,  
31 pay an annual license fee to the department. July 1 shall be the  
32 annual license renewal date.

33 (3) The department shall set the licensing fee at a level  
34 sufficient to cover all departmental costs associated with licensing  
35 incurred by the department, but the fee shall not, except as  
36 specified in this section, increase at a rate greater than the  
37 Consumer Price Index plus 5 percent. The fees shall include the  
38 department’s share of pro rata charges for the expenses of state  
39 government. The fee may be paid quarterly in arrears as  
40 determined by the department. Fees paid quarterly in arrears shall

1 be due and payable on the last day of each quarter except for the  
2 fourth quarter for which payment shall be due and payable no later  
3 than May 31. A failure of a program to pay renewal license fees  
4 by the due date shall give rise to a civil penalty of one hundred  
5 dollars (\$100) a day for each day after the due date. Second and  
6 subsequent inspection visits to narcotic treatment programs that  
7 are operating in noncompliance with the applicable laws and  
8 regulations shall be charged a rate of one-half the program's  
9 annual license fee or one thousand dollars (\$1,000), whichever is  
10 less, for each visit.

11 (4) Licensing shall be contingent upon determination by the  
12 department that the program is in compliance with applicable laws  
13 and regulations and upon payment of the licensing fee. A license  
14 shall not be transferable.

15 (5) (A) As used in this chapter, "quarter" means July, August,  
16 and September; October, November, and December; January,  
17 February, and March; and April, May, and June.

18 (B) As used in this chapter, "license" means a basic permit to  
19 operate a narcotic treatment program. The license shall be issued  
20 exclusively by the department and operated in accordance with a  
21 patient capacity that shall be specified, approved, and monitored  
22 solely by the department.

23 (b) Each narcotic treatment program, other than a program  
24 owned and operated by the state, county, city, or city and county,  
25 shall be charged an application fee that shall be at a level sufficient  
26 to cover all departmental costs incurred by the department in  
27 processing either an application for a new program license, or an  
28 application for an existing program that has moved to a new  
29 location.

30 (c) Any licensee that increases fees to the patient, in response  
31 to increases in licensure fees required by the department, shall first  
32 provide written disclosure to the patient of that amount of the  
33 patient fee increase that is attributable to the increase in the  
34 licensure fee. This provision shall not be construed to limit patient  
35 fee increases imposed by the licensee upon any other basis.

36 11839.8. The director may deny the application for initial  
37 issuance of a license if the applicant or any partner, officer,  
38 director, 10 percent or greater shareholder, or person proposed to  
39 be employed by the applicant under the authority of subdivision  
40 (c) of Section 2401 of the Business and Professions Code:

1 (a) Fails to meet the qualifications for licensure established by  
2 the department pursuant to this article. However, the director may  
3 waive any established qualification for licensure of a narcotic  
4 treatment program if he or she determines that it is reasonably  
5 necessary in the interests of the public health and welfare.

6 (b) Was previously the holder of a license issued under this  
7 article, and the license was revoked and never reissued or was  
8 suspended and not reinstated, or the holder failed to adhere to  
9 applicable laws and regulations regarding narcotic treatment  
10 programs while the license was in effect.

11 (c) Misrepresented any material fact in the application.

12 (d) Committed any act involving fraud, dishonesty, or deceit,  
13 with the intent to substantially benefit himself or herself or another  
14 or substantially injure another, and the act is substantially related  
15 to the qualification, functions, or duties of, or relating to, a narcotic  
16 treatment program license.

17 (e) Was convicted of any crime substantially related to the  
18 qualifications, functions, or duties of, or relating to, a narcotic  
19 treatment program license.

20 (f) The director, in considering whether to deny licensure under  
21 subdivision (d) or (e), shall determine whether the applicant is  
22 rehabilitated after considering all of the following criteria:

23 (1) The nature and severity of the act or crime.

24 (2) The time that has elapsed since the commission of the act  
25 or crime.

26 (3) The commission by the applicant of other acts or crimes  
27 constituting grounds for denial of the license under this section.

28 (4) The extent to which the applicant has complied with terms  
29 of restitution, probation, parole, or any other sanction or order  
30 lawfully imposed against the applicant.

31 (5) Other evidence of rehabilitation submitted by the applicant.

32 (g) With respect to any other license issued to an applicant to  
33 provide narcotic treatment services, violated any provision of this  
34 article or regulations adopted under this article that relate to the  
35 health and safety of patients, the local community, or the general  
36 public. Violations include, but are not limited to, violations of laws  
37 and regulations applicable to take-home doses of methadone,  
38 urinalysis requirements, and security against redistribution of  
39 replacement narcotic drugs. In these cases, the department shall  
40 deny the application for an initial license unless the department

1 determines that all other licensed narcotic treatment programs  
2 maintained by the applicant have corrected all deficiencies and  
3 maintained compliance for a minimum of six months.

4 11839.9. (a) The director shall suspend or revoke any license  
5 issued under this article, or deny an application to renew a license  
6 or to modify the terms and conditions of a license, upon any  
7 violation by the licensee of this article or regulations adopted  
8 under this article that presents an imminent danger of death or  
9 severe harm to any participant of the program or a member of the  
10 general public.

11 (b) The director may suspend or revoke any license issued  
12 under this article, or deny an application to renew a license or to  
13 modify the terms and conditions of a license, upon any of the  
14 following grounds and in the manner provided in this article:

15 (1) Violation by the licensee of any laws or regulations of the  
16 Substance Abuse and Mental Health Services Administration or  
17 the United States Department of Justice, Drug Enforcement  
18 Administration, that are applicable to narcotic treatment  
19 programs.

20 (2) Any violation that relates to the operation or maintenance  
21 of the program that has an immediate relationship to the physical  
22 health, mental health, or safety of the program participants or  
23 general public.

24 (3) Aiding, abetting, or permitting the violation of, or any  
25 repeated violation of, any of the provisions set forth in subdivision  
26 (a) or in paragraph (1) or (2).

27 (4) Conduct in the operation of a narcotic treatment program  
28 that is inimical to the health, welfare, or safety of an individual in,  
29 or receiving services from, the program, the local community, or  
30 the people of the State of California.

31 (5) The conviction of the licensee or any partner, officer,  
32 director, 10 percent or greater shareholder, or person employed  
33 under the authority of subdivision (c) of Section 2401 of the  
34 Business and Professions Code at any time during licensure, of a  
35 crime substantially related to the qualifications, functions, or  
36 duties of, or relating to, a narcotic treatment program licensee.

37 (6) The commission by the licensee or any partner, officer,  
38 director, 10 percent or greater shareholder, or person employed  
39 under the authority of subdivision (c) of Section 2401 of the  
40 Business and Professions Code at any time during licensure, of any

1 act involving fraud, dishonesty, or deceit, with the intent to  
2 substantially benefit himself or herself or another, or substantially  
3 to injure another, and that act is substantially related to the  
4 qualifications, functions, or duties of, or relating to, an narcotic  
5 treatment program licensee.

6 (7) Diversion of narcotic drugs. A program's failure to  
7 maintain a narcotic drug reconciliation system that accounts for all  
8 incoming and outgoing narcotic drugs, as required by  
9 departmental or federal regulations, shall create a rebuttable  
10 presumption that narcotic drugs are being diverted.

11 (8) Misrepresentation of any material fact in obtaining the  
12 narcotic treatment program license.

13 (9) Failure to comply with a department order to cease  
14 admitting patients or to cease providing patients with take-home  
15 dosages of replacement narcotic drugs.

16 (10) Failure to pay any civil penalty assessed pursuant to  
17 paragraph (3) of subdivision (a) of Section 11839.16 where the  
18 penalty has become final, unless payment arrangements  
19 acceptable to the department have been made.

20 (11) The suspension or exclusion of the licensee or any partner,  
21 officer, director, 10 percent or greater shareholder, or person  
22 employed under the authority of subdivision (c) of Section 2401  
23 of the Business and Professions Code from the Medicare,  
24 medicaid, or Medi-Cal programs.

25 (c) Prior to issuing an order pursuant to this section, the director  
26 shall ensure continuity of patient care by the program's guarantor  
27 or through the transfer of patients to other licensed programs. The  
28 director may issue any needed license or amend any other license  
29 in an effort to ensure that patient care is not impacted adversely by  
30 an order issued pursuant to this section.

31 11839.10. (a) The department shall cease review of an  
32 application for a license if either of the following occur:

33 (1) An application for a license indicates, or the department  
34 determines during the application inspection process, that the  
35 applicant was issued a license under this article and the prior  
36 license was revoked within the preceding two years. The  
37 department shall cease any further review of the application until  
38 two years have elapsed from the date of the revocation.

39 (2) An application for a license indicates, or the department  
40 determines during the application inspection process, that the

1 applicant was denied a license or had a license suspended under  
2 this article within the preceding year. The department shall cease  
3 any further review of the application until one year has elapsed  
4 from the date of the denial or suspension.

5 (b) The department may cease review of an application for  
6 license renewal if either of the following occur:

7 (1) The applicant has not paid the required license fee.

8 (2) The county in which the licensee is located certifies to the  
9 department's satisfaction that there is no need for the narcotic  
10 treatment program because of a substantial decline in medically  
11 qualified narcotic treatment patients in the licensee's catchment  
12 area, or clearly demonstrates that other applicants for licensure can  
13 provide more efficient, cost-effective, and sufficient narcotic  
14 treatment services in the catchment area, or that the license should  
15 not be renewed due to one of the grounds that are enumerated in  
16 Section 11839.9.

17 (c) Upon cessation of review, the license shall be permitted to  
18 expire by its own terms. However, if the licensee subsequently  
19 submits the items, the absence of which led to the cessation of  
20 review, the department may reinstate the license.

21 (d) Cessation of review shall not constitute a denial of the  
22 application for purposes of Sections 11839.8 and 11839.9.

23 11839.11. A narcotic treatment program license shall  
24 automatically terminate if the Substance Abuse and Mental Health  
25 Services Administration withdraws or revokes its approval of the  
26 program, or if the United States Department of Justice, Drug  
27 Enforcement Administration, revokes the program's registration.

28 11839.12. Except as provided in Section 11839.16,  
29 proceedings for the suspension, revocation, or denial of a license  
30 or cessation of review of a renewal license under this article,  
31 except where there has been a failure to pay required fees, under  
32 this article shall be conducted in accordance with Chapter 5  
33 (commencing with Section 11500) of Part 1 of Division 3 of Title  
34 2 of the Government Code and the department shall have all the  
35 powers granted thereby. In the event of conflict between this  
36 article and the Administrative Procedure Act, the Administrative  
37 Procedure Act shall prevail.

38 11839.13. (a) The withdrawal of an application for a license  
39 after it has been filed with the department shall not, unless the  
40 department consents in writing to the withdrawal, deprive the

1 department of its authority to institute or continue a proceeding  
2 against the applicant for the denial of the license upon any ground  
3 provided by law or to enter an order denying the license upon any  
4 ground provided by law.

5 (b) The suspension, expiration, or forfeiture by operation of  
6 law of a license issued by the department, or its suspension,  
7 forfeiture, or cancellation by order of the department or by order  
8 of a court of law, or its surrender without the written consent of the  
9 department, shall not deprive the department of its authority to  
10 institute or continue a disciplinary proceeding against the licensee  
11 upon any ground provided by law or to enter an order suspending  
12 or revoking the license or otherwise taking disciplinary action  
13 against the licensee upon any ground provided by law.

14 11839.14. For purposes of this article, a conviction means a  
15 plea or verdict of guilty or a conviction following a plea of nolo  
16 contendere. Any action that the department is permitted to take  
17 following the establishment of a conviction may be taken when the  
18 time for appeal has elapsed, or the judgment of conviction has been  
19 affirmed on appeal or when an order granting probation is made  
20 suspending the imposition of sentence, notwithstanding a  
21 subsequent order pursuant to Section 1203.4 or 1203.4a of the  
22 Penal Code permitting the person to withdraw his or her plea of  
23 guilty and to enter a plea of not guilty, or setting aside the verdict  
24 of guilty, or dismissing the accusation, information, or indictment.  
25 For purposes of this article, the record of conviction, or a certified  
26 copy thereof, shall be conclusive evidence of the conviction.

27 11839.15. The director may bring an action to enjoin the  
28 violation of Section 11839.7, or the violation of a departmental  
29 order issued pursuant to Section 11839.16, in the superior court in  
30 and for the county in which the violation occurred. Any  
31 proceeding under this section shall conform to the requirements of  
32 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of  
33 the Code of Civil Procedure. The rebuttable presumption set forth  
34 in paragraph (7) of subdivision (b) of Section 11839.9 shall be  
35 applicable. If the court finds the allegations to be true, it shall issue  
36 its order enjoining the narcotic treatment program from  
37 continuance of the violation.

38 11839.16. (a) (1) The director shall, in addition to any other  
39 remedy, issue an order that prohibits a narcotic treatment program  
40 from admitting new patients or from providing patients with





1 take-home dosages of a narcotic drug if the director determines,  
2 pursuant to the compliance inspection procedures set out in  
3 paragraph (2) of subdivision (a) of Section 11839.3, that a program  
4 has done any of the following:

5 (A) Failed to provide adequate security measures over its  
6 narcotic drug supply as agreed in the program's approved protocol.

7 (B) Failed to maintain a narcotic drug reconciliation system  
8 that accounts for all incoming and outgoing narcotic drugs.

9 (C) Diverted narcotic drugs.

10 (D) Repeatedly violated one or more departmental or federal  
11 regulations governing narcotic treatment programs, which  
12 violations may subject, or may have subjected, a patient to a health  
13 or life-endangering situation.

14 (E) Repeatedly violated one or more departmental or federal  
15 regulations governing the provisions of take-home medication.

16 (F) Operated above combined licensed capacity for  
17 maintenance and detoxification programs at a single location.

18 (2) (A) The order becomes effective when the department  
19 serves the program with a copy of the order. The order shall state  
20 the deficiencies forming the basis for the order and shall state the  
21 corrective action required for the department to vacate the order.  
22 The order, as it pertains to subparagraph (F) only, shall  
23 automatically be vacated when the department receives the  
24 program's written notification that licensed capacity has been  
25 achieved. If the order is issued pursuant to subparagraph (A), (B),  
26 (C), (D), or (E), the department shall vacate the order when the  
27 program submits a corrective action plan that reasonably addresses  
28 the deficiency or substantially conforms to the required action set  
29 out in the order.

30 (B) The department shall notify the program that the corrective  
31 action plan is accepted or rejected within 10 working days after  
32 receipt of the plan. If the department rejects the corrective action  
33 plan, it shall detail its reason in writing. The department order is  
34 vacated when the department either accepts a corrective action  
35 plan and ensures substantial conformity with the required action  
36 set out in the order or fails to reject a plan within 10 working days  
37 after receipt of the plan.

38 (3) In addition to any other remedies, a failure of the program  
39 to comply with the order of the department under this subdivision

1 shall give rise to a civil penalty of five hundred dollars (\$500) a day  
2 for each day that the order is violated.

3 (4) All civil penalties collected by the department under  
4 paragraph (3) shall be deposited in the Narcotic Treatment  
5 Program Licensing Trust Fund, and shall be used to offset the  
6 department's costs associated with collecting the civil penalties, or  
7 associated with any civil, administrative, or criminal action  
8 against the program when appropriated for this purpose.

9 (b) (1) The director may, in addition to any other remedy, issue  
10 an order temporarily suspending a narcotic treatment program  
11 license prior to any administrative hearing for the reasons stated  
12 in subparagraphs (A) to (E), inclusive, of paragraph (1) of  
13 subdivision (a) when the department determines pursuant to the  
14 compliance inspection procedures set out in paragraph (2) of  
15 subdivision (a) of Section 11839.3, that the action is necessary to  
16 protect patients of the program from any substantial threat to their  
17 health or safety, or to protect the health or safety of the local  
18 community or the people of the State of California. Prior to issuing  
19 the order, the director shall ensure continuity of patient care by the  
20 program's guarantor or through the transfer of patients to other  
21 licensed programs. The director may issue any needed license or  
22 amend any other license in his or her effort to assure that patient  
23 care is not impacted adversely by the suspension order.

24 (2) The director shall notify the licensee of the temporary  
25 suspension and the effective date thereof and at the same time shall  
26 serve the licensee with an accusation. Upon receipt of a notice of  
27 defense to the accusation by the licensee, the director shall, within  
28 15 days, set the matter for hearing, and the hearing shall be held  
29 as soon as possible, but not later than 20 days, exclusive of  
30 weekends, after receipt of the notice. The temporary suspension  
31 shall remain in effect until the hearing is completed and the  
32 director has made a final determination on the merits. However,  
33 the temporary suspension shall be deemed vacated if the director  
34 fails to make a final determination on the merits within 20 days  
35 after the original hearing has been completed. Failure to cease  
36 operating after the department issues an order temporarily  
37 suspending the license shall constitute an additional ground for  
38 license revocation and shall constitute a violation of Section  
39 11839.8. The department shall suspend the program's license if the  
40 hearing outcome is adverse to the license. The department shall

1 notify the program of the license suspension within five days of the  
2 director's final decision.

3 (c) A program may, at any time after it is served with an order,  
4 petition the superior court to review the department's issuance of  
5 an order or rejection of a corrective action plan.

6 11839.17. (a) In cases where a program is closing and the  
7 licensed entity that has agreed to assume temporary operation of  
8 the closing program is unable to do so, the department may assume  
9 temporary operation of the closing program or designate another  
10 licensed entity willing to do so. In cases where the licensed entity  
11 that has agreed to assume temporary operation is the subject of a  
12 pending licensing action or order issued pursuant to Section  
13 11839.16, the department may issue an order prohibiting the entity  
14 from assuming temporary operation and may assume temporary  
15 operation of the closing program or designate another licensed  
16 entity willing to do so. This section shall not be construed to  
17 require the department or any other licensed entity to assume any  
18 of the closing programs' financial obligations.

19 (b) For purposes of this section, "temporary" means no more  
20 than 90 days.

21 11839.18. Any licensee may petition the director for waiver  
22 of licensure fees or late payment penalties for the current fiscal  
23 year based upon financial hardship. Prior to the granting of relief,  
24 the licensee shall demonstrate hardship by production of  
25 appropriate financial records. The director may, in his or her  
26 discretion, grant all or part of the relief sought, but shall consider  
27 the reasonableness of the relief in light of the other expenditures  
28 undertaken by licensee, giving particular scrutiny to the licensee's  
29 own profits, earnings, or other compensation, and expenses such  
30 as interest, mortgage, or loan payments, as well as noncash  
31 expenses such as accruals and depreciation.

32 11839.19. (a) The department shall not license the  
33 establishment of a narcotic treatment program without a written  
34 application by the treatment facility that meets evaluative criteria  
35 required by the department.

36 (b) The department shall not require disclosure of the identity  
37 of patients or former patients or of any records containing  
38 identifying information except as provided in Section 11845.5.

39 11839.20. (a) It is the intent of the Legislature in licensing  
40 narcotic treatment programs to provide a means whereby the

1 patient may be rehabilitated and will no longer need to support a  
2 dependency on narcotics. It is, therefore, the intent of the  
3 Legislature that each narcotic treatment program shall have a  
4 strong rehabilitative element, including, but not limited to,  
5 individual and group therapy, counseling, vocational guidance,  
6 and job and education counseling. The Legislature declares the  
7 ultimate goal of all narcotic treatment programs shall be to aid the  
8 patient in altering his or her lifestyle and eventually to eliminate  
9 all dependency on drugs.

10 (b) The department shall adopt any regulations necessary to  
11 ensure that every program is making a sustained effort to end the  
12 drug dependency of the patients.

13 11839.21. The State Department of Health Services shall  
14 establish criteria for acceptable performance from those  
15 laboratories performing urinalysis or other body fluid analysis and  
16 shall not permit utilization of laboratories unable to meet an  
17 acceptable level of performance. The results of any performance  
18 evaluation of any laboratory shall immediately be made available  
19 to the local programs upon request. Nothing in this section shall  
20 prohibit body fluid analysis to be performed by a licensed narcotic  
21 treatment program upon approval of the State Department of  
22 Health Services.

23 11839.22. The state department shall require a system to  
24 detect multiple registration by narcotic clients.

25  
26 Article 2. Narcotic Treatment Program Body Fluids Testing  
27

28 11839.23. The State Department of Health Services shall  
29 adopt and publish rules and regulations to be used in approving and  
30 governing the operation of laboratories engaging in the  
31 performance of tests referred to in Section 11839.24, including,  
32 but not limited to, the qualifications of the laboratory employees  
33 who perform the tests, which qualifications the department  
34 determines are reasonably necessary to ensure the competence of  
35 the laboratories and employees to prepare, analyze, and report the  
36 results of the tests.

37 11839.24. Substance abuse testing for narcotic treatment  
38 programs operating in the state shall be performed only by a  
39 laboratory approved and licensed by the State Department of  
40 Health Services for the performance of those tests.

1 11839.25. Each laboratory in this state that performs the test  
2 referred to in Section 11839.24 shall be licensed by the State  
3 Director of Health Services. The laboratory, other than a  
4 laboratory operated by the state, county, city, city and county, or  
5 other public agency, or a clinical laboratory licensed pursuant to  
6 subdivision (f) of Section 1300 of the Business and Professions  
7 Code, shall, upon application for licensing, pay a fee to the State  
8 Department of Health Services in an amount to be determined by  
9 that department, which fee will reimburse the department for the  
10 costs incurred by the department in the issuance and renewal of the  
11 licenses. On or before July 1 of each year thereafter, the laboratory  
12 shall pay to the State Department of Health Services a fee,  
13 determined by the department, for the renewal of its license.

14 11839.26. The State Department of Health Services shall  
15 enforce this article and the rules and regulations adopted pursuant  
16 to this article by the department.

17 11839.27. The State Department of Health Services shall  
18 annually publish a list of approved and licensed laboratories  
19 engaging in the performance of tests referred to in Section  
20 11839.24.

21 11839.28. Every laboratory that has been approved and for  
22 which a license has been issued shall be periodically inspected by  
23 a duly authorized representative of the State Department of Health  
24 Services. Reports of this inspection shall be prepared by the  
25 representative conducting it upon forms prepared and furnished by  
26 the State Department of Health Services and shall be filed with that  
27 department.

28 11839.29. Any license issued pursuant to Section 11839.25  
29 may be suspended or revoked by the State Director of Health  
30 Services. The State Director of Health Services may refuse to issue  
31 a license to any applicant. Any proceedings under this article shall  
32 be conducted in accordance with Chapter 5 (commencing with  
33 Section 11500) of Part 1 of Division 3 of Title 2 of the Government  
34 Code, and the State Director of Health Services shall have the  
35 powers and duties granted therein.

36 11839.30. The State Director of Health Services may deny a  
37 license if any of the following apply to the applicant, or any  
38 partner, officer, or director thereof:



1 (a) The person fails to meet the qualifications established by the  
2 State Department of Health Services pursuant to this chapter for  
3 the issuance of the license applied for.

4 (b) The person was previously the holder of a license issued  
5 under this chapter, which license has been revoked and never  
6 reissued or was suspended and the terms of the suspension have not  
7 been fulfilled.

8 (c) The person has committed any act involving dishonesty,  
9 fraud, or deceit, whereby another was injured or whereby  
10 applicant has benefited.

11 11839.31. The State Director of Health Services may  
12 suspend, revoke, or take other disciplinary action against a  
13 licensee as provided in this chapter, if the licensee or any partner,  
14 officer, or director thereof does any of the following:

15 (a) Violates any of the regulations promulgated by the State  
16 Department of Health Services pursuant to this article.

17 (b) Commits any act of dishonesty, fraud or deceit, whereby  
18 another is injured or whereby the licensee benefited.

19 (c) Misrepresents any material fact in obtaining a license.

20 11839.32. The State Director of Health Services may take  
21 disciplinary action against any licensee after a hearing as provided  
22 in this article by any of the following:

23 (a) Imposing probation upon terms and conditions to be set  
24 forth by the State Director of Health Services.

25 (b) Suspending the license.

26 (c) Revoking the license.

27 11839.33. All accusations against licensees shall be filed  
28 within three years after the act or omission alleged as the ground  
29 for disciplinary action, except that with respect to an accusation  
30 alleging a violation of subdivision (c) of Section 11839.31, the  
31 accusation shall be filed within two years after the discovery by the  
32 State Department of Health Services of the alleged facts  
33 constituting the fraud or misrepresentation prohibited by that  
34 section.

35 11839.34. After suspension or revocation of the license upon  
36 any of the grounds set forth in this article, the license shall not be  
37 reinstated or reissued within a period of one year after the effective  
38 date of suspension or revocation. After one year after the effective  
39 date of the suspension or revocation, the State Department of  
40 Health Services may reinstate the license upon proof of

1 compliance by the applicant with all provisions of the decision as  
2 to reinstatement.

3 SEC. 115. The heading of Chapter 10 (commencing with  
4 Section 11840) of Part 2 of Division 10.5 of the Health and Safety  
5 Code is amended and renumbered to read:

6  
7 CHAPTER ~~10.~~ 11. GENERAL FINANCIAL PROVISIONS  
8

9 SEC. 116. Section 11840 of the Health and Safety Code is  
10 amended to read:

11 11840. Each county shall provide matching funds for  
12 programs and services provided by the county under this part,  
13 except as follows:

14 (a) ~~Commencing January 1, 1985, state~~ State hospital alcohol  
15 ~~and other drug~~ programs shall be funded on the basis of 85 percent  
16 state funds and 15 percent county funds.

17 (b) The cost of state hospital services in counties with a  
18 population of 100,000 or less shall be financed on the basis of 90  
19 percent state funds and 10 percent county funds.

20 SEC. 117. Section 11840.1 of the Health and Safety Code is  
21 amended to read:

22 11840.1. (a) ~~Commencing January 1, 1985, and for every~~  
23 ~~Every~~ fiscal year ~~thereafter~~, 10 percent county matching funds  
24 shall be required for support of programs and services provided  
25 under this part by a county of more than 100,000 population.

26 (b) Notwithstanding any other provision of law, no county  
27 matching funds shall be required pursuant to this section for  
28 funding received for the purposes of funding existing residential  
29 perinatal treatment programs that were begun through federal  
30 Center for Substance Abuse Treatment grants but whose grants  
31 expired on or before October 1, 2000. For counties in which there  
32 is such a provider, the ~~State Department of Alcohol and Drug~~  
33 ~~Programs~~ department shall include language in those counties'  
34 allocation letters that indicates the amount of the allocation  
35 designated for the provider during the fiscal year. This exemption  
36 shall only apply to the state funding provided to replace the  
37 expiring federal grants, and shall not apply to any subsequent  
38 program expansions.

39 (c) *The department may reallocate any funds that are not*  
40 *matched by counties within 30 days after notification of the Joint*



Legislative Budget Committee using a letter as prescribed in Section 28.00 of the Budget Act. However, the reallocated funds shall not be counted into the base allocation.

SEC. 118. Section 11841 of the Health and Safety Code is amended to read:

11841. (a) It is the intent of the Legislature that all programs funded under this part shall be partially self-supporting by raising revenues in addition to the funds allocated by the department. These revenues may include, but are not limited to, fees for services, private contributions, grants, or other governmental funds. These revenues shall be used in support of additional alcohol and other drug services or facilities.

(b) ~~(1)~~—Each program funded under this part, which program provides alcohol and other drug services to individuals and their families, shall assess fees to participants in the programs. The fee requirement shall not apply to prevention and early intervention activities.

~~(2) County-operated and contract providers of services shall set fees and follow fee assessment and collection practices that promote recovery from problem drinking. Counties and contract providers of services may utilize a variety of methods to set and collect fees, provided, that the methods do not result in the withholding of alcohol services because of the participant's present inability to pay for the services.~~

~~(3) The county alcohol program administrator shall approve the criteria of each provider for fee collection, which shall describe how the provider charges and collects fees. In collecting fees, providers shall take into account a client's income and expenses. The written criteria shall be a public record and shall be made available to the department or any individual upon request.~~

(c) Each county shall identify in its annual report of expenditures cost report the types and amounts of revenues raised by all the providers of services funded under this part.

SEC. 119. Chapter 12 (commencing with Section 11842) is added to Part 2 of Division 10.5 of the Health and Safety Code, to read:

1 CHAPTER 12. REGISTRATION OF NARCOTIC, ALCOHOL, AND  
2 OTHER DRUG ABUSE PROGRAMS  
3

4 11842. As used in this chapter, “narcotic and drug abuse  
5 program” means any program that provides any service of care,  
6 treatment, rehabilitation, counseling, vocational training,  
7 self-improvement classes or courses, replacement narcotic  
8 therapy in maintenance or detoxification treatment, or other  
9 medication services for detoxification and treatment, and any  
10 other services that are provided either public or private, whether  
11 free of charge or for compensation, which services are intended in  
12 any way to alleviate the problems of narcotic addiction or  
13 habituation or drug abuse addiction or habituation or any problems  
14 in whole or in part related to the problem of narcotics addiction or  
15 drug abuse, or any combination of these problems.

16 11842.5. As used in this chapter, an alcohol and other drug  
17 abuse program includes, but is not limited to:

18 (a) Residential programs that provide a residential setting and  
19 services such as detoxification, counseling, care, treatment, and  
20 rehabilitation in a live-in facility.

21 (b) Drop-in centers that are established for the purpose of  
22 providing counseling, advice, or a social setting for one or more  
23 persons who are attempting to understand, alleviate, or cope with  
24 their problems of alcohol and other drug abuse.

25 (c) Crisis lines that provide a telephone answering service that  
26 provides, in whole or in part, crisis intervention, counseling, or  
27 referral, or that is a source of general drug abuse information.

28 (d) Free clinics that are established for the purpose, either in  
29 whole or in part, of providing any medical or dental care, social  
30 services, or treatment, or referral to these services for those  
31 persons recognized as having a problem of narcotics addiction or  
32 drug abuse. Free clinics include primary care clinics licensed  
33 under paragraph (2) of subdivision (a) of Section 1204.

34 (e) Detoxification centers that are established for the purpose  
35 of detoxification from drugs, regardless of whether or not  
36 narcotics, restricted dangerous drugs, or other medications are  
37 administered in the detoxification and whether detoxification  
38 takes place in a live-in facility or on an outpatient basis.

39 (f) Narcotic treatment programs, whether inpatient or  
40 outpatient, that offer replacement narcotic therapy and

1 maintenance, detoxification, or other services, in conjunction with  
2 that replacement narcotic therapy.

3 (g) Chemical dependency programs, whether inpatient or  
4 outpatient and whether in a hospital or nonhospital setting, that  
5 offer a set program of treatment and rehabilitation for persons with  
6 a chemical dependency that is not primarily an alcohol  
7 dependency.

8 (h) Alcohol and other drug prevention programs that promote  
9 positive action that changes the conditions under which the  
10 drug-taking behaviors to be prevented are most likely to occur and  
11 a proactive and deliberate process that promotes health and  
12 well-being by empowering people and communities with  
13 resources necessary to confront complex and stressful life  
14 conditions.

15 (i) Nonspecific drug programs that have not been specifically  
16 mentioned in subdivisions (a) to (h), inclusive, but that provide or  
17 offer to provide, in whole or in part, for counseling, therapy,  
18 referral, advice, care, treatment, or rehabilitation as a service to  
19 those persons suffering from alcohol and other drug addiction, or  
20 alcohol and other drug abuse related problems that are either  
21 physiological or psychological in nature.

22 11843. The county shall establish and maintain a registry of  
23 all narcotic and drug abuse programs and alcohol and other drug  
24 abuse programs within the county in order to promote a  
25 coordination of effort in the county.

26 11843.5. Each narcotic and drug abuse program and alcohol  
27 and other drug abuse program in a county shall register annually  
28 with the county alcohol and drug program administrator by July  
29 1 or within 30 days after being established.

30 11844. Registration under this chapter shall include  
31 registration of all of the following information concerning the  
32 particular narcotic and drug abuse program or alcohol and other  
33 drug abuse program registering:

34 (a) A description of the services, programs, or activities  
35 provided by the narcotic and drug abuse program and the types of  
36 patients served.

37 (b) The address of each facility at which the services,  
38 programs, or activities are furnished.

(c) The names and addresses of the persons or agencies responsible for the direction and operation of the narcotic and drug abuse program or alcohol and other drug abuse program.

11844.5. Registration under this part does not constitute the approval or endorsement of the narcotic and drug abuse program or alcohol and other drug abuse program by any state or county officer, employee, or agency.

11845. For the purpose of this chapter, registration shall not be required for those programs that provide alcohol and other drug abuse education in public or private schools as a matter of and in conjunction with a general education of students. This chapter does not require registration of law enforcement agencies that provide alcohol and other drug abuse education in the course of their normal performance of duties. Nothing in this chapter shall prohibit registration of these programs of education or law enforcement if the law enforcement and education agencies so desire.

11845.5. (a) The identity and records of the identity, diagnosis, prognosis, or treatment of any patient, which identity and records are maintained in connection with the performance of any alcohol and other drug abuse treatment or prevention effort or function conducted, regulated, or directly or indirectly assisted by the department shall, except as provided in subdivision (c), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subdivision (b).

(b) The content of any records referred to in subdivision (a) may be disclosed in accordance with the prior written consent of the client with respect to whom the record is maintained, but only to the extent, under the circumstances, and for the purposes as clearly stated in the release of information signed by the client.

(c) Whether or not the client, with respect to whom any given record referred to in subdivision (a) is maintained, gives his or her written consent, the content of the record may be disclosed as follows:

(1) In communications between qualified professional persons employed by the treatment or prevention program in the provision of service.

(2) To qualified medical persons not employed by the treatment program to the extent necessary to meet a bona fide medical emergency.

(3) To qualified personnel for the purpose of conducting scientific research, management audits, financial and compliance audits, or program evaluation, but the personnel may not identify, directly or indirectly, any individual client in any report of the research, audit, or evaluation, or otherwise disclose patient identities in any manner. For purposes of this paragraph, the term “qualified personnel” means persons whose training and experience are appropriate to the nature and level of work in which they are engaged, and who, when working as part of an organization, are performing that work with adequate administrative safeguards against unauthorized disclosures.

(4) If the recipient of services is a minor, ward, or conservatee, and his or her parent, guardian, or conservator designates, in writing, persons to whom his or her identity in records or information may be disclosed, except that nothing in this section shall be construed to compel a physician and surgeon, psychologist, social worker, nurse, attorney, or other professional person to reveal information that has been given to him or her in confidence by members of the client’s family.

(5) If authorized by a court of competent jurisdiction granted after application showing probable cause therefor, as provided in subdivision (c) of Section 1524 of the Penal Code.

(d) Except as authorized by a court order granted under paragraph (5) of subdivision (c), no record referred to in subdivision (a) may be used to initiate or substantiate any criminal charges against a client or to conduct any investigation of a client.

(e) The prohibitions of this section shall continue to apply to records concerning any individual who has been a client, irrespective of whether he or she ceases to be a client.

SEC. 120. Chapter 13 (commencing with Section 11847) is added to Part 2 of Division 10.5 of the Health and Safety Code, to read:

CHAPTER 13. NARCOTIC AND ALCOHOL AND OTHER DRUG  
ABUSE PROGRAMS

11847. The Legislature hereby finds and declares that it is essential to the health and welfare of the people of this state that action be taken by state government to effectively and economically utilize federal and state funds for narcotic and

1 alcohol and other drug abuse prevention, care, treatment, and  
2 rehabilitation services. To achieve this, it is necessary that all of the  
3 following occur:

4 (a) Existing fragmented, uncoordinated, and duplicative  
5 narcotic and alcohol and other drug abuse programs be molded  
6 into a comprehensive and integrated statewide program for the  
7 prevention of narcotic and alcohol and other drug abuse and for the  
8 care, treatment, and rehabilitation of narcotic addicts and alcohol  
9 and other drug users.

10 (b) Responsibility and authority for planning programs and  
11 activities for prevention, care, treatment, and rehabilitation of  
12 narcotic addicts be concentrated in the department. It is the intent  
13 of the Legislature to assign responsibility and grant authority for  
14 planning narcotic and alcoholic and other drug abuse prevention,  
15 care, treatment, and rehabilitation programs to the department  
16 whose functions shall be subject to periodic review by the  
17 Legislature and appropriate federal agencies.

18 (c) The department succeeds to, and is vested with, all the  
19 duties, powers, purposes, responsibilities, and jurisdiction with  
20 regard to substance abuse formerly vested in the State Department  
21 of Health.

22 11847.1. The department shall consult with state and local  
23 health planning bodies and encourage and promote effective use  
24 of facilities, resources, and funds in the development of integrated,  
25 comprehensive local programs for the prevention, care, treatment,  
26 and rehabilitation of narcotic and alcohol and other drug abuse.

27 11847.2. Any community alcohol and other drug abuse  
28 service may by contract furnish community alcohol and other drug  
29 abuse services to any other county.

30 11847.3. The department shall, within available resources,  
31 consult with federal, state and local agencies involved in the  
32 provision and delivery of services of prevention, care, treatment,  
33 and rehabilitation of alcohol and other drug abusers.

34 11847.4. The department shall provide technical assistance,  
35 guidance, and information to local governments and state agencies  
36 with respect to the creation and implementation of programs and  
37 procedures for dealing effectively with alcohol and other drug  
38 abuse prevention, care, treatment, and rehabilitation. The  
39 department may charge a fee for these services.



1 11847.5. The department shall establish goals and priorities  
2 for all state agencies providing narcotic and alcohol and other drug  
3 abuse services. All state governmental units operating alcohol and  
4 other drug programs or administering or subventing state or  
5 federal funds for alcohol and other drug programs shall annually  
6 set their program priorities and allocate funds in coordination with  
7 the department.

8 11847.6. The department shall, in the same manner and  
9 subject to the same conditions as other state agencies, develop and  
10 submit annually to the Department of Finance a program budget.

11 11848. (a) (1) Alcohol and other drug abuse services  
12 allowable under the Medi-Cal program (Chapter 7 (commencing  
13 with Section 14000) of Part 3 of Division 9 of the Welfare and  
14 Institutions Code) as approved by the department and the State  
15 Department of Health Services as qualified for financial  
16 participation under Title XIX of the federal Social Security Act (42  
17 U.S.C. 1396 et seq.) shall be funded, notwithstanding Sections  
18 11817.3, 11840, and 11840.1, at 100 percent of the state and  
19 federal cost by using the county's existing state General Fund  
20 allocation, as appropriated in the department's annual budget, to  
21 first fund the state's portion of the allowable costs.

22 (2) For each fiscal year there shall be a separate state General  
23 Fund appropriation in Item 4200-101-0001 of the department's  
24 annual budget for non-Drug Medi-Cal nonperinatal services.  
25 There shall also be an appropriation in Item 4200-102-0001 of the  
26 department's annual budget for Drug Medi-Cal nonperinatal  
27 services.

28 (3) For each fiscal year there shall be a separate state General  
29 Fund appropriation in Item 4200-103-0001 of the department's  
30 annual budget for Drug Medi-Cal perinatal services. Non-Drug  
31 Medi-Cal perinatal services shall be appropriated in Item  
32 4200-104-0001 of the department's annual budget.

33 (4) The department shall maintain a contingency reserve of  
34 unexpended state General Funds appropriated for Drug Medi-Cal  
35 allowable services pursuant to subdivision (e) of Section 14132.90  
36 of the Welfare and Institutions Code.

37 (5) Unexpended moneys appropriated from the state General  
38 Fund for Drug Medi-Cal may be transferred for use by counties for  
39 non-Drug Medi-Cal expenditures. Unexpended moneys



1 appropriated for Drug Medi-Cal may not be used to provide  
2 matching funds for federal financial participation.

3 (b) The intent of the Legislature in enacting this section is to  
4 provide a funding source for counties to establish alcohol and other  
5 drug abuse services without any increased costs to the state  
6 General Fund and at the same time not to require the county to  
7 provide additional matching funds in order for the county to use  
8 a portion of its state share of local drug programs Medi-Cal funds  
9 now available to counties without a required 10-percent match.

10 11848.5. (a) Once the negotiated rate has been approved by  
11 the county, all participating governmental funding sources, except  
12 the Medi-Cal program (Chapter 7 (commencing with Section  
13 14000) of Part 3 of Division 9 of the Welfare and Institutions  
14 Code), shall be bound to that rate as the cost of providing all or part  
15 of the total county alcohol and other drug program as described in  
16 the county plan for each fiscal year to the extent that the  
17 governmental funding sources participate in funding the county  
18 alcohol and other drug program. Where the State Department of  
19 Health Services adopts regulations for determining  
20 reimbursement of alcohol and other drug program services  
21 formerly allowable under the Short-Doyle program and  
22 reimbursed under the Medi-Cal Act, those regulations shall be  
23 controlling only as to the rates for reimbursement of alcohol and  
24 other drug program services allowable under the Medi-Cal  
25 program and rendered to Medi-Cal beneficiaries. Providers under  
26 this section shall report to the department and the county any  
27 information required by the department in accordance with the  
28 procedures established by the director of the department.

29 (b) The Legislature recognizes that alcohol and other drug  
30 abuse services differ from mental health services provided through  
31 the State Department of Mental Health and therefore should not  
32 necessarily be bound by rate determination methodology used for  
33 reimbursement of those services formerly provided under the  
34 Short-Doyle program and reimbursed under the Medi-Cal Act.  
35 The department and the State Department of Health Services shall,  
36 pursuant to Section 14021.5 of the Welfare and Institutions Code,  
37 develop a ratesetting methodology suitable for alcohol and other  
38 drug services reimbursed under the Medi-Cal program using an  
39 all-inclusive rate encompassing the costs of reimbursable service  
40 functions provided by each authorized modality.

1 11849. Expenditures incurred pursuant to this part shall be in  
2 accordance with the regulations of the director and shall be subject  
3 to payment whether incurred by direct or joint operation of the  
4 facilities and services, by provisions therefor through contract, or  
5 by other arrangement pursuant to the provisions of this chapter.  
6 The director may make investigations and audits of the  
7 expenditures as he or she may deem necessary.

8 11849.5. (a) In determining the amounts that may be paid,  
9 fees paid by persons receiving services or fees paid on behalf of  
10 those persons by the federal government, by the California  
11 Medical Assistance Program set forth in Chapter 7 (commencing  
12 with Section 14000) of Part 3 of Division 9 of the Welfare and  
13 Institutions Code, and by other public or private sources, shall be  
14 deducted from the costs of providing services. Whenever feasible,  
15 alcohol and other drug abusing persons who are eligible for  
16 alcohol and other drug abuse services under the California Medical  
17 Assistance Program shall be treated in a facility approved for  
18 reimbursement in that program.

19 (b) General unrestricted or undesignated private charitable  
20 donations and contributions made to charitable or nonprofit  
21 organizations shall not be considered as “fees paid by persons” or  
22 “fees paid on behalf of such persons” under this section and the  
23 contributions shall not be applied in determining the amounts to  
24 be paid. The unrestricted contributions shall not be used in part or  
25 in whole to defray the costs or the allocated costs of the California  
26 Medical Assistance Program.

27 11850. The department shall coordinate all narcotic and  
28 alcohol and other drug abuse services and related programs  
29 conducted by state agencies with the federal government, and shall  
30 ensure that there is no duplication of those programs among state  
31 agencies and that all agreements, contracts, plans, and programs  
32 proposed to be submitted by any state agency, other than the  
33 Regents of the University of California, to the federal government  
34 in relation to narcotic and alcohol and other drug abuse related  
35 problems shall first be submitted to the state department for review  
36 and approval.

37 11850.5. The department may require state agencies to  
38 contract with it for services to carry out the provisions of this  
39 division.

1 11851. The department may accept and expend grants, gifts,  
2 and legacies of money, and, with the consent of the Department of  
3 Finance, accept, manage, and expend grants, gifts, and legacies of  
4 other properties in furtherance of the purposes of this division.

5 11851.5. In addition to those expenditures authorized under  
6 Section 11851, expenditures subject to payment shall include  
7 expenses incurred by members of the local advisory board on  
8 alcohol and other drug programs in providing alcohol and other  
9 drug program services through the implementation of executed  
10 negotiated net amount contracts, and Drug Medi-Cal contracts, or  
11 approved county plans. Payment shall be made of actual and  
12 necessary expenses of members incurred incident to the  
13 performance of their official duties and may include travel,  
14 lodging, and meals while on official business.

15 11852. Whenever a county receives funds under a grant  
16 program for alcohol and other drug abuse services, as well as under  
17 the county plan, negotiated net amount contract, and Drug  
18 Medi-Cal contract, whichever is applicable, from either the federal  
19 or state government, or from any other grantor, public or private,  
20 and fails to include that grant program in the county plan,  
21 negotiated net amount contract, and Drug Medi-Cal contract,  
22 whichever is applicable, and alcohol and other drug program  
23 budget, the director shall not thereafter approve any, or provide,  
24 advance payment claims submitted by the county for state  
25 reimbursement under this part unless and until the county plan,  
26 negotiated net amount contract, and Drug Medi-Cal contract,  
27 whichever is applicable, and alcohol and other drug program  
28 budget has been reviewed to include that grant program and the  
29 revised county plan, negotiated net amount contract, and Drug  
30 Medi-Cal contract, whichever is applicable, and budget is  
31 approved by the director.

32 11852.5. (a) Charges shall be made for services rendered to  
33 each person under a county plan in accordance with this section.  
34 Charges for the care and treatment of each client receiving service  
35 under a county plan, negotiated net amount contract, and Drug  
36 Medi-Cal contract, whichever is applicable, shall not exceed the  
37 actual cost thereof as determined by the director in accordance  
38 with standard accounting practices. The fee requirement shall not  
39 apply to prevention and early intervention services. The director  
40 is not prohibited from including the amount of expenditures for

1 capital outlay or the interest thereon, or both, in his or her  
2 determination of actual cost. The responsibility of a client, his or  
3 her estate, or his or her responsible relatives to pay the charges  
4 shall be determined in accordance with this section.

5 (b) Each county shall determine the liability of clients rendered  
6 services under a county plan, negotiated net amount contract, and  
7 Drug Medi-Cal contract, whichever is applicable, and of their  
8 estates or responsible relatives, to pay the charges according to  
9 ability to pay. Each county shall collect the charges. The county  
10 shall establish and maintain policies and procedures for making  
11 the determinations of liability and collections, by collecting  
12 third-party payments and from other sources to the maximum  
13 extent practicable. The written criteria shall be a public record and  
14 shall be made available to the department or any individual. Fees  
15 collected shall be retained at the local level and be applied toward  
16 the purchase of additional drug services.

17 (c) Services shall not be denied because of a client's ability or  
18 inability to pay. County-operated and contract providers of  
19 treatment services shall set and collect fees using methods  
20 approved by the county alcohol and drug program administrator.  
21 All approved fee systems shall conform to all of the following  
22 guidelines and criteria:

23 (1) The fee system used shall be equitable.

24 (2) The fee charged shall not exceed actual cost.

25 (3) Systems used shall consider the client's income and  
26 expenses.

27 (4) Each provider fee system shall be approved by the county  
28 alcohol and drug program administrator. A description of each  
29 approved system shall be on file in the county board office.

30 (d) To ensure an audit trail, the county or provider, or both,  
31 shall maintain all of the following records:

32 (1) Fee assessment schedules and collection records.

33 (2) Documents in each client's file showing client's income and  
34 expenses, and how each was considered in determining fees.

35 (e) Each county shall furnish the director with a cost report of  
36 information the director shall require to enable the director to  
37 maintain a cost-reporting system of the costs of alcohol and other  
38 drug program services in the county funded in whole or part by  
39 state-administered funds. The cost-reporting system established  
40 pursuant to this section shall supersede the requirements of

paragraph (2) of subdivision (b) of Section 16366.7 of the Government Code for a quarterly fiscal reporting system. An annual cost report, for the fiscal year ending June 30, shall be submitted to the department by November 1.

(f) The Legislature recognizes that alcohol and other drug programs may provide a variety of services described in this part, which services will vary depending on the needs of the communities that the programs serve. In devising a system to assure that a county has expended its funds pursuant to any applicable executed negotiated net amount contract, Drug Medi-Cal contract, and approved county plan, including the budget portions of the plan, the department shall take into account the flexibility that a county has in the provision of services and the changing nature of alcohol and other drug programs in responding to the community's needs.

(g) The department shall maintain a reporting system to assure that counties have budgeted and expended their funds pursuant to their executed negotiated net amount contracts, Drug Medi-Cal contracts, and approved county plans, whichever is applicable.

11853. Counties are encouraged to contract with providers for the provision of services funded through the county's executed negotiated net amount contract, Drug Medi-Cal contract, and approved county plan, whichever is applicable. Counties shall comply with the regulations of the department for the management of contracts with community organizations, as contained in the county administration and program services regulations as developed by the department.

11853.5. The department shall review each county's executed negotiated net amount contract, Drug Medi-Cal contract, and approved county plan, whichever is applicable, to determine that it complies with the requirements of this part and with the standards adopted under this part.

11854. The department shall devise and implement, in consultation with the counties, a program reporting method to evidence county compliance with this part. Until that date, the department shall ensure the payment and cost-reporting system does not impair the implementation of this part.

11854.5. Each county may establish standards that meet or exceed state standards for the treatment and operation of all county-operated and county-contracted alcohol and other drug

1 treatment facilities and services, hereafter referred to as a “quality  
2 assurance system.” A “quality assurance system” is a systematic  
3 approach for the evaluation of the quality of care, which approach  
4 is designed to promote and maintain efficient, effective, and  
5 appropriate alcohol and other drug treatment services.

6 11855. Payments or advances of funds to cities, counties,  
7 cities and counties, or other state agencies, which funds are  
8 properly chargeable to appropriations to the department, may be  
9 made by a Controller’s warrant drawn against state funds  
10 appropriated to the department or federal funds administered by  
11 the department. No more than one-twelfth of the amount to be  
12 allocated to a given entity for the fiscal year may be advanced each  
13 month.

14 11855.5. (a) The department may charge a reasonable fee for  
15 the certification or renewal certification of a program that  
16 voluntarily requests the certification. The fee shall be set at a level  
17 sufficient to cover administrative costs of the program  
18 certification process incurred by the department. In calculating the  
19 administrative costs the department shall include staff salaries and  
20 benefits, related travel costs, and state operational and  
21 administrative costs.

22 (b) The department may contract with private individuals or  
23 agencies to provide technical assistance and training to qualify  
24 programs for state certification. The department may charge a fee  
25 for these services.

26 11856. The department shall encourage the development of  
27 educational courses that provide core knowledge concerning  
28 alcohol and other drug problems and programs to personnel  
29 working within alcohol and other drug programs.

30 11856.5. The department shall conduct onsite monitoring and  
31 reviews of individual county-operated alcohol and other drug  
32 programs and alcohol and other drug program administration with  
33 emphasis on the review of county administration. The  
34 administrative reviews shall include sampling of all services,  
35 including those provided by county contract providers.

36 SEC. 121. The heading of Part 3 (commencing with Section  
37 11860) of Division 10.5 of the Health and Safety Code is amended  
38 to read:  
39



PART 3. STATE GOVERNMENT'S ROLE TO ALLEVIATE  
PROBLEMS RELATED TO THE USE AND ABUSE OF  
*ALCOHOL AND OTHER DRUGS*

SEC. 122. Section 11860 of the Health and Safety Code is amended to read:

11860. The state department, with the approval of the Secretary of the *California* Health and Welfare Agency *Human Services*, may contract with any public or private agency for the performance of any of the functions vested in the state department by this chapter. Any state department is authorized to enter into such a contract *described in this section*.

SEC. 123. Section 11864 of the Health and Safety Code is repealed.

~~11864. (a) The purposes of any regulations adopted by the department shall be to implement, interpret, or make specific the provisions of this part and shall not exceed the authority granted to the department pursuant to this part. To the extent possible, such regulations shall be written in clear and concise language and adopted only when necessary to further the purposes of this part.~~

~~(b) Except as provided in this section, the department shall have the power to adopt regulations in accordance with the provisions of the Administrative Procedure Act necessary for the proper execution of the powers and duties granted to and imposed upon the department by this part. However, such regulations may be adopted only upon the following conditions:~~

~~(1) The department shall present to the State Advisory Board on Drug Programs at a meeting of the board the justification for considering regulations prior to the drafting and adoption of such specified regulations. Subsequent to presentation to and discussion with the board, the department shall decide whether to proceed with the drafting and adoption of such regulations.~~

~~(2) The department shall consult with the county drug program administrators or their designees in establishing and adopting regulations, and may consult with any other appropriate persons relating to such proposed regulations.~~

~~(3) If an absolute majority of the county drug program administrators, or their designees, who represent counties which have submitted county drug plans, vote at a public meeting called by the department and posted publicly for the prior 45 days, at a~~



~~time mutually agreed upon by the department and county drug program administrators, to reject such proposed regulations, the department shall refer the matter for a decision to a committee composed of five persons, consisting of a representative of the board, a representative of the administrators, the director, the secretary, and one designee of the secretary. Such decision shall be made by a majority vote of such committee at a public meeting convened by the department. Upon a majority vote of such committee recommending adoption of such proposed regulations, the department may then adopt them. Upon a majority vote recommending that the department not adopt such proposed regulations, the department shall then consult again with the county administrators and advisory board and resubmit the proposed regulations to the administrators for a vote pursuant to this subdivision.~~

~~(4) In the voting process of the committee described in paragraph (3), no proxies shall be allowed nor may anyone other than the designated county administrator, representative of the board, director, secretary, and secretary's designee vote at such meetings.~~

SEC. 124. Article 2 (commencing with Section 11865) of Chapter 1 of Part 3 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 125. Article 3 (commencing with Section 11875) of Chapter 1 of Part 3 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 126. Article 4 (commencing with Section 11885) of Chapter 1 of Part 3 of Division 10.5 of the Health and Safety Code is repealed.

SEC. 127. The heading of Chapter 2 (commencing with Section 11960) of Part 3 of Division 10.5 of the Health and Safety Code is amended to read:

CHAPTER 2. COMMUNITY *ALCOHOL AND OTHER* DRUG ABUSE  
CONTROL

SEC. 128. Article 1 (commencing with Section 11960) of Chapter 2 of Part 3 of Division 10.5 of the Health and Safety Code is repealed.

1 SEC. 129. Article 2 (commencing with Section 11965) of  
2 Chapter 2 of Part 3 of Division 10.5 of the Health and Safety Code  
3 is repealed.

4 SEC. 130. The heading of Article 3 (commencing with  
5 Section 11970) of Chapter 2 of Part 3 of Division 10.5 of the  
6 Health and Safety Code is amended and renumbered to read:

7  
8 Article ~~3~~. 1. Drug Courts  
9

10 SEC. 131. The heading of Article 4 (commencing with  
11 Section 11970.1) of Chapter 2 of Part 3 of Division 10.5 of the  
12 Health and Safety Code is amended and renumbered to read:

13  
14 Article ~~4~~. 2. Comprehensive Drug Court Implementation Act  
15 of 1999  
16

17 SEC. 132. The heading of Article 5 (commencing with  
18 Section 11970.45) of Chapter 2 of Part 3 of Division 10.5 of the  
19 Health and Safety Code is amended and renumbered to read:

20  
21 Article ~~5~~. 3. Drug Court Partnership Act of 2002  
22

23 SEC. 133. Chapter 3 (commencing with Section 11970.5) of  
24 Part 3 of Division 10.5 of the Health and Safety Code is repealed.

25 SEC. 134. Chapter 4 (commencing with Section 11980) of  
26 Part 3 of Division 10.5 of the Health and Safety Code is repealed.

